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SITTING DAYS—2005

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RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

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FORTY-FIRST PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

House of Representatives Officeholders
Speaker—The Hon. David Peter Maxwell Hawker MP
Deputy Speaker—The Hon. Ian Raymond Causley MP
Second Deputy Speaker—Mr Harry Alfred Jenkins MP

Members of the Speaker’s Panel—The Hon. Dick Godfrey Harry Adams, Mr Robert Charles Baldwin, the Hon. Bronwyn Kathleen Bishop, Mr Michael John Hatton, Mr Peter John Lindsay, Mr Robert Francis McMullan, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, the Hon. Alexander Michael Somlyay, Mr Kimberley William Wilkie

Leader of the House—The Hon. Anthony John Abbott MP
Deputy Leader of the House—The Hon. Peter John McGauran MP
Manager of Opposition Business—Ms Julia Eileen Gillard MP
Deputy Manager of Opposition Business—Mr Anthony Norman Albanese MP

Party Leaders and Whips
Liberal Party of Australia
Leader—The Hon. John Winston Howard MP
Deputy Leader—The Hon. Peter Howard Costello MP
Chief Government Whip—Mr Kerry Joseph Bartlett MP

Government Whips—Mrs Joanna Gash MP and Mr Fergus Stewart McArthur MP

The Nationals
Leader—The Hon. John Duncan Anderson MP
Deputy Leader—The Hon. Mark Anthony James Vaile MP
Whip—Mr John Alexander Forrest MP
Assistant Whip—Mr Paul Christopher Neville MP

Australian Labor Party
Leader—The Hon. Kim Christian Beazley MP
Deputy Leader—Ms Jennifer Louise Macklin MP
Chief Opposition Whip—The Hon. Leo Roger Spurway Price MP
Opposition Whips—Mr Michael Danby MP and Ms Jill Griffiths Hall MP

Printed by authority of the House of Representatives
## Members of the House of Representatives

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**PARTY ABBREVIATIONS**

ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals;
Ind—Independent; CLP—Country Liberal Party; AG—Australian Greens

### Heads of Parliamentary Departments

- Clerk of the Senate—H Evans
- Clerk of the House of Representatives—I C. Harris
- Secretary, Department of Parliamentary Services—H R Penfold QC
HOWARD MINISTRY

Prime Minister                  The Hon. John Winston Howard MP
Minister for Transport and Regional Services and Deputy Prime Minister The Hon. John Duncan Anderson MP
Treasurer                       The Hon. Peter Howard Costello MP
Minister for Trade              The Hon. Mark Anthony James Vaile MP
Minister for Defence and Leader of the Government in the Senate Senator the Hon. Robert Murray Hill
Minister for Foreign Affairs    The Hon. Alexander John Gosse Downer MP
Minister for Health and Ageing and Leader of the House The Hon. Anthony John Abbott MP
Attorney-General                The Hon. Philip Maxwell Ruddock MP
Minister for Finance and Administeration, Deputy Leader of the Government in the Senate and Vice-President of the Executive Council Senator the Hon. Nicholas Hugh Minchin
Minister for Agriculture, Fisheries and Forestry The Hon. Warren Errol Truss MP
Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs Senator the Hon. Amanda Eloise Vanstone
Minister for Education, Science and Training The Hon. Dr Brendan John Nelson MP
Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues Senator the Hon. Kay Christine Lesley Patterson
Minister for Industry, Tourism and Resources The Hon. Ian Elgin Macfarlane MP
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service The Hon. Kevin James Andrews MP
Minister for Communications, Information Technology and the Arts Senator the Hon. Helen Lloyd Coonan
Minister for the Environment and Heritage Senator the Hon. Ian Gordon Campbell

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<td>The Hon. Peter John McGauran MP</td>
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<td>The Hon. John Kenneth Cobb MP</td>
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<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
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SHADOW MINISTRY

Leader of the Opposition The Hon. Kim Christian Beazley MP
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research Jennifer Louise Macklin MP
Leader of the Opposition in the Senate and Shadow Minister for Social Security Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology Senator Stephen Michael Conroy
Shadow Minister for Health and Manager of Opposition Business in the House Julia Eileen Gillard MP
Shadow Treasurer Wayne Maxwell Swan MP
Shadow Minister for Industry, Infrastructure and Industrial Relations Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and International Security Kevin Michael Rudd MP
Shadow Minister for Defence and Homeland Security Robert Bruce McClelland MP
Shadow Minister for Trade The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources and Tourism Martin John Ferguson MP
Shadow Minister for Environment and Heritage and Deputy Manager of Opposition Business in the House Anthony Norman Albanese MP
Shadow Minister for Public Administration and Open Government, Shadow Minister for Indigenous Affairs and Reconciliation and Shadow Minister for the Arts Senator Kim John Carr
Shadow Minister for Regional Development and Roads and Shadow Minister for Housing and Urban Development Kelvin John Thomson MP
Shadow Minister for Finance and Superannuation Senator the Hon. Nicholas John Sherry
Shadow Minister for Work, Family and Community, Shadow Minister for Youth and Early Childhood Education and Shadow Minister Assisting the Leader on the Status of Women Tanya Joan Plibersek MP
Shadow Minister for Employment and Workplace Participation and Shadow Minister for Corporate Governance and Responsibility Senator Penelope Ying Yen Wong

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<td>Joel Andrew Fitzgibbon MP</td>
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<td>Shadow Minister for Regional Services, Local Government and Territories</td>
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<td>Shadow Minister for Manufacturing and Shadow</td>
<td>Senator Kate Alexandra Lundy</td>
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<tr>
<td>Shadow Minister for Defence Planning, Procurement and Shadow Minister for</td>
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Tuesday, 14 June 2005

The SPEAKER (Hon. David Hawker) took the chair at 2 pm and read prayers.

WHITE POWDER INCIDENTS

The SPEAKER (2.01 pm)—Members may be aware that over the last two weeks Parliament House has experienced three incidents where white powder has been found in letters delivered to the building. In all instances the substances were found to be non-hazardous. Unfortunately, parliamentary security staff have detected a further suspect package in the loading dock this morning.

As a result of the earlier incidents, mail-screening procedures have been enhanced from this morning to reduce the risk of letters containing hazardous substances entering the building. This will include the introduction of a second level of screening. The new screening procedures may delay the delivery of mail to members’ suites. However, the President and I consider this action to be necessary while we are experiencing an increase in these incidents.

Members and their staff should also be looking out for any suspicious mail and if in doubt should not open the suspect envelope. Instead, they should contact Parliament House security on telephone extension 7117, where they will be given instructions on what action to take. I regret that these measures have had to be taken, and the President and I strongly condemn the behaviour that has made this a necessity.

QUESTIONS WITHOUT NOTICE

Private Members’ Bills

Mr BEAZLEY (2.02 pm)—My question is to the Prime Minister. I refer the Prime Minister to the public statements of the member for Kooyong that he will proceed with his private members’ bills dealing with a more humane system of mandatory detention. Will the Prime Minister give an undertaking to the House that these bills will be given precedence and that in the next two weeks these bills will be debated and voted on?

Mr HOWARD—No.

Budget 2005-06

Mr BAIRD (2.03 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of developments which will see the delivery of a tax cut for all hardworking Australians by 1 July 2005?

Mr COSTELLO—I thank the honourable member for Cook for his question. I think I can now advise the House that all Australian income taxpayers are likely to get their income tax cut on 1 July this year. The attempt by the Labor Party to block tax cuts for hardworking Australians has failed. Over the weekend we had an announcement from the Australian Greens—

Ms Macklin interjecting—

Mr COSTELLO—The Australian Greens were able to make up their minds. The Australian Labor Party is still determined not to determine a position. I never thought I would say this, but the Australian Labor Party makes the Australian Greens look decisive and economically responsible. The Australian Greens announced over the weekend that they will not be supporting a disallowance motion in the Senate to disallow the tax schedules. Today in the Senate Senator Len Harris said that he would not be supporting any motion of disallowance. Shortly before question time the Australian Democrats announced that they would not be voting to disallow the schedules to come into effect from 1 July 2005.

Only one political party in Australia now reserves the right to disallow schedules which will give a tax cut to every Australian on 1 July 2005. The good news is that that
political party is no longer relevant to the tax debate in Australia. The tax schedules can therefore take effect on 1 July 2005. For lower income earners the marginal tax rate of 17c in the dollar will be cut to 15c in the dollar. For upper income earners the threshold for the 42c and the 47c rates will be increased. And on 1 July 2006 this means that only three per cent of Australian taxpayers will be subject to the top marginal tax rate. This has been warmly welcomed by tradesmen and what are commonly called aspirational voters in Australia. As I read in the *Sydney Morning Herald* today, these were the aspirational voters which the Leader of the Opposition promised that he would look after when he took over from his predecessor. We were reminded in the *Sydney Morning Herald* by Louise Dodson that he said:

Labor “shouldn’t have to be embarrassed” by the increasing wealth and prosperity of the electorate because it was due to—

Mr Hawke and Mr Keating. That is what he said. Of course it is far-fetched. Labor has been defeated and all Australians will have a tax cut on 1 July. *(Time expired)*

**Taxation**

Mr BEAZLEY (2.07 pm)—My question is addressed to the Treasurer. How does the Treasurer defend a $65 a week tax cut to the new Telstra CEO, on a yearly package of $11 million, while a Telstra linesman on $55,000 a year gets just $6 a week? Treasurer, why won’t the government agree to Labor’s tax proposals that will double the tax cuts for average income earners and see 1.9 million couples without children better off, 2.1 million couples with children better off, 316,000 sole parents better off and 2.8 million singles better off?

Mr COSTELLO—The House of Representatives has already debated those amendments and rejected them. With all of the talk that we hear from the Leader of the Opposition about why he has to have a debate on these issues, I would point out to the House that the House has debated these issues and rejected them. I would warrant that the Leader of the Opposition probably even spoke in the debate; I certainly did. We all certainly voted in relation to that.

**The SPEAKER**—Order! Members on my left will put those signs down.

Mr COSTELLO—In answer to the substance of the question: as a result of the tax changes which this government has put in place, it is true that somebody on around $100,000 will receive a tax cut of about 20 per cent, and we think that is a good thing. A person on $10,000 will receive a tax cut of 50 per cent, and we think that is a good outcome too. A person on $20,000 will receive a tax cut of around 35 per cent. But, when you are cutting tax rates—I do not know whether this has occurred to the Labor Party—you cannot cut tax for people who do not pay it. I want to say that again to the Labor Party: you cannot cut tax for people who do not pay it. So, when you cut tax rates, those who are not paying any tax do not get any nominal tax cut, those who are on lower incomes get larger percentage tax cuts, and those who are on higher incomes get lower percentage tax cuts although the cuts are larger in nominal dollar terms.

There is one last point I will make. In his failed attempt to stop every Australian getting a tax cut on 1 July, the Leader of the Opposition has overlooked one thing.

Mr Albanese interjecting—

Mr COSTELLO—I just heard the member for Grayndler interject. The Labor Party policy is that on 1 July no Australians will get a tax cut. The Leader of the Opposition put forward some alternatives as to what might happen in 2006 and then claimed in his budget reply a tax cut which he would have in place under the welfare to work bo-
nus in 2008. 2008 is after the next election. The one thing the Labor Party could agree on was that there should be no tax cut on 1 July. The one thing that Australians have been guaranteed by the coalition is that every Australian income tax payer will get a tax cut on 1 July 2005—because Labor has failed in its attempts to stop those tax cuts going through.

**East Timor**

Mr LAMING (2.11 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on Australia’s commitment to peace and stability in East Timor?

Mr DOWNER—First, I thank the honourable member for Bowman for his question and for the interest he shows in East Timor. Members of the House may be aware that yesterday the Australian peacekeepers in East Timor and Australian Ambassador Margaret Twomey handed over the former Australian battalion headquarters at Moleama base to the East Timorese government, and that ceremony was witnessed by East Timor’s Prime Minister, Dr Mari Alkatiri. This event symbolised an important chapter in East Timorese history and it signalled the end of Australia’s outstanding peacekeeping activities, which have been crucial to East Timor’s successful achievement of independence as well as its success since independence.

Our contribution to East Timor, in one way or another—really, going back to the Prime Minister’s letter to President Habibie at the end of 1998—has been an enormously important part of modern Australian foreign policy history. Our peacekeeping troops, numbering 5,000 at their peak, brought stability and security to a society that was in turmoil, and they made a real contribution to reconstruction and development. We have also generously assisted every United Nations mission to East Timor, including most recently offering some military liaison officers and civilian police advisers to the new United Nations mission there, to be known as UNOTIL. Australia’s commitment has also included a very substantial aid commitment to East Timor, and I think it is fair to say that we will continue to provide that sort of assistance to East Timor for a long time to come.

Yesterday was an important moment in the history of Australian foreign policy, bringing to an end our peacekeeping operation in East Timor. I think all members of the House would share with me the enormous pride we have in the wonderful job that was done by our peacekeepers in East Timor.

Mr BEAZLEY (Brand—Leader of the Opposition) (2.13 pm)—Briefly, on indulgence, I join the opposition’s sentiments to those just expressed by the foreign minister in extending our thanks to the Australian peacekeepers who have operated there for some considerable time, and I offer our congratulations to them on a job very well done.

**Foreign Debt**

Mr BEAZLEY (2.14 pm)—My question is to the Prime Minister. Is the Prime Minister aware that Australia now has the highest foreign debt per capita on earth, with the exception of the microeconomies of Qatar and Iceland? Is the Prime Minister aware of analysis by the Reserve Bank in its May monetary policy statement that suggests that the cost of servicing our $21,000 debt per man, woman and child will blow out as interest rates increase overseas, particularly in the US? Prime Minister, isn’t the Reserve Bank right and doesn’t Australia need to dramatically improve its trade performance?

Mr HOWARD—I am aware of the foreign debt figures. I am also aware of a lot of other figures, and most particularly the figure that shows the debt servicing ratio has declined quite sharply since this government
came to power. I am also aware of the figures that indicate that almost all of the overseas debt has been incurred by the private sector. I am proud of the fact that, in the time I have been Prime Minister, each year we have reduced the contribution that the government made to foreign debt. I am not surprised that the Leader of the Opposition would ask a question about debt, because when he was finance minister he was very fond of making his own contribution to Australia’s debt. It is a distinguishing feature of this government’s economic management that the government has retired from the business of adding to Australia’s debt. In fact, the government has entered the business of adding to the nation’s savings.

Let me remind the Leader of the Opposition: he does not understand much about taxation, and I do not think he understands the reality that governments can add to debt or they can add to savings. When he was a senior minister in a government he added to debt. In the time that we have been government, we have added to savings. If the Leader of the Opposition wants to take a leisurely saunter through all of the comparative economic statistics of the last eight or nine years, I will be very happy to oblige him on each and every occasion. The reality is that this government’s management of the economy has won the respect of nations around the world, it has won the respect of the International Monetary Fund, it has won the respect of the OECD, but most importantly—

Mr Beazley interjecting—

Mr HOWARD—and the Leader of the Opposition interjects—let me remind him it has won the respect of the Australian public.

Labour Market

Mr BALDWIN (2.17 pm)—Mr Speaker, my question is addressed to the Prime Minister. Is the Prime Minister aware of any recent studies that bear upon employment levels and rigidities in the labour market and what they show?

Mr HOWARD—I thank the member for Paterson for what is a very pertinent question. It is true that in recent days there has been quite a bit of commentary, both domestically and around the world, about the relative performance of countries in relation to their labour markets in the wake of the rejection by the public in both France and the Netherlands of the European Constitution. There was some debate about the different approaches of countries in the European Union towards issues of labour market regulation and the consequences of those approaches and the levels of unemployment in those countries.

It is interesting, and it is relevant in the context of the Leader of the Opposition’s declaration that he would roll back our industrial relations policy. Remember what happened the last time he said he was going to roll something back? He makes a declaration that he is going to roll back our industrial relations policy. Let me say—

Opposition members interjecting—

Mr HOWARD—Apparently he is not going to roll back our industrial relations policy. So he is determined not to determine that policy either. Let me say this: it repays very serious study for all members of this House to have a look at the relative performance of countries when it comes to unemployment levels and the degree to which those countries regulate or overregulate their labour markets. It is interesting to note that the rate of unemployment in Germany, France and Spain—three countries which heavily regulate their labour markets—stands at 11.8 per cent, 10.2 per cent and 10 per cent respectively.

In contrast, the unemployment rate in the less regulated labour markets of the United States is 5.1 per cent—that is exactly half of
ours—and of Britain is 4.7 per cent, a result, incidentally, of the reforms of the Thatcher government which Blair Labour did not roll back. Blair Labour had the commonsense to hang onto the Thatcher reforms because the Blair Labour government knew that the Thatcher reforms were needed and it would be economic suicide for the United Kingdom to roll those things back.

I say to the Leader of the Opposition: if he wants some inspiration about rolling back industrial relations changes, he ought to look to the example of his Oxford mate, Mr Tony Blair, who had the commonsense to recognise that the national interest required the courageous reforms of the Thatcher era to be retained. But here we have the United States at 5.1 per cent and Britain at 4.7 per cent. In a mirror image, New Zealand, we had labour market reforms by the National Party which the incoming Labour government left virtually untouched. No roll back in Britain, no roll back in New Zealand—but, ‘Oh no, don’t take any notice of successful Labour leaders; I am going to roll back your industrial relations policy.’

I was asked whether there were any reports, and I can inform the member for Paterson that in 2004 the World Bank published a report that investigated the scope and the manner of regulations that enhance business activity. What the World Bank research found was very interesting. It found that the more intrusive regulated approach of the recruitment and dismissal of employees—in other words, the unfair dismissal law approach pioneered by the Keating government in 1992—had the following circumstances: fewer jobs were created, lower average national income, a larger black economy, a greater likelihood that female unemployment would be higher, a greater likelihood that youth unemployment would be higher and a greater likelihood that unem-

The World Bank went on to find that flexible labour markets provide job opportunities for more people, ensuring that the best worker is found for each job, and that productivity, wages and output rise. Access Economics put it this way:

Far from protecting the vulnerable, rigid employment regulations exclude them from the market. ‘Outsider’ groups lose out from rigid employment laws. That is neither fair nor efficient. It is not fair. It is not efficient. That is why the government intend to build on our reforms of the last nine years through the workplace relations package I announced in this place several weeks ago and why we are committed to the national interest. We are determined to provide the underpinnings of further employment growth, further productivity growth and further strengthening of the Australian economy through progressive further freeing of the Australian labour market.

The Speaker (2.23 pm)—I inform the House that we have present in the gallery this afternoon members of a delegation from Thailand. On behalf of the House, I extend a very warm welcome to those members.

Honourable members—Hear, hear!

Questions Without Notice

Minimum Wage

Mr Stephen Smith (2.23 pm)—My question is addressed to the Prime Minister and follows the recent decision of the Australian Industrial Relations Commission on the 2005 national minimum wage case. Isn’t it the case that since 1996 the Prime Minister has opposed every minimum wage outcome awarded by the commission? Is it not also the case that, following the 2005 decision, if the government had had its way Australian
employees reliant on the minimum wage would be $50 a week, or $2,600 a year, worse off? Is this why the Prime Minister will not guarantee that under the government’s proposed industrial relations changes no individual Australian employee will be worse off?

Mr HOWARD—Mr Speaker, can I say through you to the member for Perth that, in making submissions to the bench of the Industrial Relations Commission on national wage cases, the government has regard, as is its obligation, to not only the interests of the employed but also the interests of the unemployed. I say to the members who sit opposite that, had they paid more regard to the interests of the unemployed when they were in office, they would not have left us with 8.5 per cent unemployment—unemployment would not have soared to almost 11 per cent when the Leader of the Opposition was the minister for employment.

Mr Stephen Smith interjecting—

The SPEAKER—Order! The member for Perth has asked his question.

Mr HOWARD—Let me also finally remind the member for Perth of something, as I did when I introduced these reforms. The opposition asks for guarantees. The opposition seeks to compare this with that. The one comparison that the opposition will always run away from is the comparison that the Australian people remember. In 9¼ years this government has presided over an increase in real wages of 14 per cent. It will be ever to the shame of the once-styled workers party of Australia that, when they were in office for 13 long years, the increase in real wages was a meagre 1.2 per cent.

Mr Stephen Smith interjecting—

The SPEAKER—Order! The member for Perth.

Mr HOWARD—it will be forever to the shame of the Hawke-Keating governments, which claimed to represent the interests of the Australian workers, that they not only drove their wages down; they drove them and their children out of work.

Mr Stephen Smith—We drove your 10 per cent inflation rate down!

The SPEAKER—Order! The member for Perth is warned.

Mr HOWARD—Not only did they do that but they also left a disgraceful $96 billion federal government debt when this government came to office. I say to the member for Perth: ask the everyday person to compare the salary record under this government with the salary record under Labor. I could not be happier if you did so.

Debt Relief

Mr FAWCETT (2.26 pm)—My question is addressed to the Treasurer. Would the Treasurer outline to the House recent proposals in relation to debt relief for developing countries? What is the Australian government’s position on this issue?

Mr COSTELLO—I thank the honourable member for Wakefield for his question. I can inform him and the House that Australia has been a very strong supporter for debt forgiveness through the IMF and the World Bank for heavily indebted poor countries. In fact, in 2000 the government pledged 100 per cent bilateral debt forgiveness for countries that qualified under that program. Australia has forgiven 100 per cent of the bilateral debt of Ethiopia and Nicaragua, which were the two countries, known as HICPs, that owed money to Australia. In addition to that, the government has committed $112 million to the World Bank and the International Monetary Fund for debt write-offs by those multilateral institutions. That is Australia’s per-shareholding obligation under those write-offs.
The government welcomes the announcement of enhancing the HIPC initiative that was made at the G8 summit over the weekend. Importantly, the announcement was that qualifying countries—that is, HIPCs—would be entitled to 100 per cent debt forgiveness rather than just a write-off to a level of debt sustainability, which has been the program to date. The announcement was that the write-off would take place and the amount in payments would be netted off, by way of adjustment, new payments from the African Development Bank and the World Bank; that shareholders in those banks would then make up the write-off; and that the increased pool would be available to all IDA qualifying countries. This means that more relief will be available not just to HIPCs but to other developing countries. This will take considerable further work to be developed before the annual meetings of the World Bank and the IMF in September, but it is a very welcome announcement and Australia very strongly supports it. In the 2005-06 budget the Australian government increased its aid commitment by $238 million to $2.5 billion in official development assistance.

I will make two points in closing. The first is that the important thing for debt forgiveness is that the savings be allocated to poverty reduction. If the savings that are captured are taken in corruption or in enriching those who are responsible for mismanagement in some of these countries then the poor will not have received a thing. That is why it is so important to have poverty reduction programs in place that can get those savings out to those who really need them.

The second point I will make is that the World Bank estimated last year that trade liberalisation would deliver $350 billion in income to developing countries per annum by 2015. That benefit to developing countries would be five times the global aid flow. Let me repeat that: trade liberalisation would deliver to developing countries five times the value of aid flow by 2015. To get some perspective on that, however important aid is—and aid is very important—trade liberalisation would deliver five times the benefit to the poor of the world if the world were able to come to a trade liberalisation program. That is why this government also supports trade liberalisation. Not only is it important for economic development but it is important to help the poorest countries by giving them access to world markets.

**Private Members’ Bills**

Mr BEAZLEY (2.30 pm)—My question is to the Prime Minister. It follows on from the first question I asked him in relation to the treatment of the member for Kooyong’s bills. Prime Minister, is it not a fact that the member for Kooyong can introduce his private member’s bills in the House but the bills will not be voted on unless the government gives the bills precedence over other business of the House? If the member for Kooyong’s bills are not to be given precedence, for how much longer will babies and children remain behind barbed wire and razor fencing?

Mr HOWARD—I think it was the former immigration minister, now the Attorney-General, who remarked last week that when he became immigration minister there were 300 children behind the wire. Let me simply say this to the Leader of the Opposition: I answered his first question and I refer him again to that answer in relation to the handling of any private member’s bill on this subject. I have nothing to add to that answer. Can I also tell the Leader of the Opposition that the government intends to maintain to the full the framework of the current policy. I indicated to this parliament a couple of weeks ago—and I repeat it—that where opportunities present themselves to administer
that policy in a more flexible way, those opportunities will be taken.

The truth is that, the last time the Leader of the Opposition had anything of substance to say on this subject, he flipped and he flopped in a fashion which is well remembered. The truth is that this government has run a successful policy of ensuring that we decide the nature of immigration flows to this country. I believe that that policy is not only the right policy but a policy that enjoys the support of the Australian people. There have been a number of changes made to the administration of that policy. I have indicated, consistent with the maintenance of the framework of the policy, a willingness on the part of the government to make further changes. But those changes will not be such as to undermine or destroy the framework of a policy which I believe in, and which, incidentally, I thought the Leader of the Opposition supported. If my memory serves me correctly, at the time of the 2001 election he said there was not a cigarette paper’s difference between us and that he stood shoulder to shoulder with the government. That is what he said in 2001 when he was running around the country trying to pretend that he was not Mr Flip-Flop. But now, in 2005, the Leader of the Opposition is seeking to wear—as he once pronounced he would—simplicity as a talisman. The Leader of the Opposition is now trying to persuade the Australian people that he has a markedly different policy from that of the government. Let me say this: the Australian public know where the government stands on this issue; they have not the faintest idea where the Leader of the Opposition stands.

President Musharraf

Mr CADMAN (2.35 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House how President Musharraf’s visit can be expected to benefit Australia and our region?

Mr DOWNER—I thank the honourable member for Mitchell for his question and his interest. President Musharraf of Pakistan will be visiting Australia from 13 to 16 June. This is the first ever visit to Australia by a head of state of Pakistan. Pakistan is above all a key partner for Australia in the war against terror. I do not think Australians should underestimate the importance of Pakistan in the war against terrorism. For example, Jemaah Islamiyah from our own region used Pakistan for training until it was disrupted by Pakistani agencies. The Pakistanis have captured many al-Qaeda members, including most recently Abu Faraj al-Libbi. President Musharraf has been personally targeted by terrorists on a number of occasions.

Quite apart from anything else, this is an opportunity for us to commend President Musharraf on the job he is doing in countering terrorism. During the visit, I will be signing with the Pakistani minister accompanying the President a memorandum of understanding on counter-terrorism, something that was discussed during the recent visit of Foreign Minister Kasuri of Pakistan in May. That memorandum of understanding will lead to further cooperation in areas like law enforcement, information exchanges, and exchanges on financial operations, border control, transport security and so on. For the record, that will bring to 11 the number of memoranda of understanding on counter-terrorism that we have with countries around the region.

Ministers will also be signing a memorandum of understanding on agricultural cooperation. Pakistan is an important market for Australian agricultural products, including wheat. We had some difficulty last year with our wheat exports, but those difficulties have been resolved. We also have an aid program
with Pakistan. We are going to provide $6.6 million for a series of agricultural sector linkages, including seven scholarships to come to Australia.

Let me say in conclusion that I have just been in India during the last week where I met with the Indian Prime Minister and other ministers. I made the point to the Indian Prime Minister and to the foreign minister that we very much appreciate the role that India has played with Pakistan to bring about a greater degree of accommodation between those two countries. More than that, this will be an opportunity during President Musharraf’s visit to also say to President Musharraf that we appreciate the role he is playing in normalising relations between Pakistan and India.

Mr Chen Yonglin

Mr RUDD (2.38 pm)—My question is to the Minister for Foreign Affairs. I refer to the Chinese ambassador’s statement of 6 June 2005, in which she said:

I was asked by the Australian Government about whether he—

Chen Yonglin—

will ... face persecution if he returns to China ...

Will the minister advise the House when his department spoke to the Chinese embassy about Mr Chen and what his officials said to the Chinese embassy about Mr Chen?

Mr DOWNER—I have seen a certain amount of debate about this in the media while I have been away, so let me just make this point: there were a number of contacts with DFAT officials initiated by the Chinese Consulate-General in Sydney and the Chinese embassy in Canberra about Mr Chen. Some of this contact occurred before Friday, 3 June. That was the day Mr Chen applied for a protection visa and then made public statements about his situation, and honourable members will recall that. At no time did I or any DFAT official improperly convey information about Mr Chen’s intentions—of course we did not. Nor did DFAT officials, or I for that matter, convey any information about Mr Chen’s bid for asylum. At the end of a formal meeting with Mr Wang, who is the head of the Chinese Communist Party’s international division, on Thursday, 2 June, the Chinese ambassador briefly raised this issue with me, and she has made subsequent public comments about that.

Trade: Wheat Exports to Iraq

Mrs HULL (2.40 pm)—My question is addressed to the Minister for Trade. Would the minister update the House on how Australia’s wheat exports are contributing to Iraq’s food security?

Mr VAILE—I thank the member for Riverina for her question. Many parts, but not all, of eastern Australia that have been ravaged by drought have received good rain over the last couple of days. We hope and pray that that continues. The member asks about Australia’s trade relationship with Iraq, wheat exports and food security. For 50 years the Iraqi people have relied on high-quality wheat from Australian wheat growers to supply their market in a timely and sustainable way. In fact, since 1992 we have exported 12½ million tonnes of wheat to Iraq. The new Iraq—the Iraq that we in Australia and our defence forces helped to liberate—has bought over two million tonnes of wheat from Australia since mid-2003.

Given this strong relationship, we were shocked in recent weeks to hear claims of contamination of our most recent shipments. The exporter, AWB Ltd, undertook a series of independent tests of the shipments of wheat that were claimed to have been contaminated, all of which proved to clear the quality and the standard of the wheat. Following representations by our ambassador in Baghdad, Ambassador Howard Brown, sen-
ior AWB officials and me, the new democratically elected Iraqi government led by Prime Minister al-Jafari has accepted those test results and cleared the wheat for unloading. Last night the ships in Um Qasar started unloading their cargo of wheat. We very much appreciate the way that the new, democratically elected Iraqi government took a quick and clear decision once they came to office to resolve this impasse.

We have extended an invitation to the trade minister, Basit Karim, to visit Australia as a guest of the government to help enhance the trade relationship between Australia and Iraq and to work on establishing protocols so this type of delay in getting shipments of wheat into Iraq and unloaded does not occur again. This happens on top of our in-principle commitment of $20 million for milling and processing facilities in Iraq and also the $125 million already committed for reconstruction purposes in Iraq as part of our aid program. Our government is determined to continue to do all it can to ensure that Australian wheat growers remain the dominant suppliers of high-quality wheat into the Iraqi market.

DISTINGUISHED VISITORS

The SPEAKER—I notice in the gallery the former minister for tourism and member for Wentworth, the Hon. Andrew Thomson, and also the former member for Paterson, Mr Bob Horne. On behalf of all members, I wish them a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Mr Chen Yonglin

Mr Rudd (2.43 pm)—Further to my previous question to the Minister for Foreign Affairs—Foreign Minister! Oi!

Government members interjecting—

Mr Rudd—It is engaging your brain I am concerned about. I refer again to the Chinese ambassador’s statement of 6 June 2005, in which she said:

I was asked by the Australian Government about whether he—

Chen Yonglin—

will ... face persecution if he returns to China ...

Minister, did your officials make this inquiry of the Chinese embassy or not?

Mr DOWNER—In answer to the honourable member’s question, I think I made it pretty clear what conversations there were between the officials of my department, the Chinese embassy and the Chinese Consulate-General. They were conversations that were initiated by the Chinese, and we responded to those queries. I also explained that, at the end of a meeting on another matter that the Chinese ambassador attended, she raised the Chen case with me as she was walking towards the door and, in response to that—

Mr Rudd—Mr Speaker, I rise on a point of order on relevance. This is the second question I have asked on this, because the minister did not answer the first one, which is—

Mr Howard interjecting—

Mr Rudd—Well, he did, Prime Minister. I know you are not used to answering any questions in this place.

The SPEAKER—Order! The member for Griffith will resume his seat if he does not get to his point of order.

Mr Rudd—The question was: was that inquiry made of the Chinese embassy officials or not?

The SPEAKER—The member for Griffith has asked his question and he will resume his seat.

Mr DOWNER—I was just explaining that, as the Chinese ambassador left my office, she raised the Chen case, so we had a brief discussion about that. There is now an
application for a protection visa that was put forward, I think, on 3 June and, obviously, in those circumstances we want to be careful what we say about this case. That application will be considered according to due process and all the issues that are taken into account will be taken into account.

Opposition members interjecting—

The SPEAKER—Order! The minister will resume his seat. Has the minister concluded his answer?

Mr Rudd—What a pathetic exercise in prevarication.

The SPEAKER—The member for Griffith did not have the call.

Mrs Bronwyn Bishop—Mr Speaker, on a point of order concerning standing order 100, questions are not permitted to be debated either at the time of the original asking nor subsequently on a spurious point of order. I ask that you make a ruling that way and not permit the honourable member to perpetrate that again.

The SPEAKER—In response to the member for Mackellar, the member for Griffith did not have the call.

Workplace Relations Reform

Mr Haase (2.47 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of reports of proposed changes allowing registered organisations under the Workplace Relations Act to have increased influence over public policy making and elected officials?

Mr Andrews—I thank the member for Kalgoorlie for his question. I am aware of some proposed changes that have been reported. For example, on the weekend, the Queensland ALP conference decided that it would increase unions’ voting power in ALP preselections from 30 per cent to 50 per cent, going in exactly the opposite direction to the reforms which the member for Hotham and Bob Hawke and Neville Wran attempted to put in place. No doubt this has something to do with the $9.7 million which the unions have donated to the ALP in Queensland since 1996.

We can see some further examples of this influence in New South Wales. In the Sydney Morning Herald on the weekend, it was reported that in New South Wales unions which are affiliated with the ALP have 393,000 members. The Secretary of Unions NSW, Mr John Robertson, said at the weekend that only 49 per cent of them voted Labor at the last election. In terms of membership, according to the article in the Sydney Morning Herald, only one per cent of the 393,000 members of unions in New South Wales are ALP members. This stands in stark contrast to—

Ms Gillard—Mr Speaker, I rise on a point of order. I draw your attention to standing order 98, particularly subsection (c), which defines the matters about which a minister might be asked in question time. The minister is clearly responding on matters that are nowhere near his portfolio. I would ask you to draw him back to any part that might be relevant.

The SPEAKER—I have been listening to the answer carefully, and I believe that the minister is answering the question.

Mr Andrews—I was asked about registered organisations under the Workplace Relations Act, which is quite clearly in my portfolio. The reason the member does not want to hear the answer is that there is a stark contrast between less than one per cent of unionists in New South Wales belonging to the ALP and almost 100 per cent of the union bosses belonging to the ALP. It is no wonder, therefore, that on the weekend the Leader of the Opposition caved in to union demands with his roll-back of industrial rela-
tions policy. When the Leader of the Opposi-
tion addressed the two state ALP conferences
on the weekend, he was not addressing the
workers, most of whom do not belong to the
unions and most of whom have benefited by
a 14 per cent increase in real wages under
this government, nor was he addressing the
unionists, 99 per cent of whom do not belong
to the ALP. He was simply addressing the
unrepresentative union leaders, the unrepre-
sentative union bosses. It is no wonder that
in an editorial in the Canberra Times yester-
day, headed ‘Corruption the big ALP task’,
the editorial writer said this about the leader
of the opposition—

Mr Price—Mr Speaker, I rise on a point
of order. How is an editorial in the Canberra
Times relevant to the question that is asked
or to the minister’s portfolio responsibilities?

The SPEAKER—May I say to the Chief
Opposition Whip: as the content of the edito-
rial has not been drawn into the debate, it is
hard to answer that question, so I will call
the minister.

Mr ANDREWS—As the editorial in the Can-
berra Times said yesterday in part about
the Leader of the Opposition:
There is no better demonstration that he lacks the
moral and physical fibre—

Ms Gillard—Mr Speaker, I raise a point
of order. The question was about registered
organisations under the Workplace Relations
Act. Clearly, from the start of the quote that
the minister just went to, it is not about that
matter at all.

The SPEAKER—I will rule on the point
of order. The minister will demonstrate
where this is relevant to the question.

Mr ANDREWS—To continue the quote:
There is no better demonstration that he—
the Leader of the Opposition—

lacks the moral and physical fibre to be worthy of
being prime minister of Australia than his refusal
to face the crooked farce that is his own party.

Ms Gillard—Mr Speaker, on a point of
order: can I direct your attention to standing
order 90 and the making of reflections on
members in the House. Those reflections
made by the minister were most inappropria-
te and ought to be withdrawn. They may or
may not be in a quote; that does not make
them parliamentary, and I can take you to the
relevant bit of House of Representatives
Practice on that point.

The SPEAKER—The Manager of Oppo-
sition Business has made her point. Has the
minister concluded his answer?

Mr ANDREWS—No, Mr Speaker. Can I
just conclude on this note—

Ms Gillard—Mr Speaker—

The SPEAKER—I have called the minis-
ter.

Ms Gillard—Mr Speaker, you may have
called the minister, but I have asked you to
determine whether an unparliamentary ex-
pression has been used and whether it ought
to be withdrawn. You need to determine that
question and ask the minister for a with-
drawal.

The SPEAKER—The Manager of Oppo-
sition Business will resume her seat. The
minister is in order in quoting from whatever
he is quoting.

Mr ANDREWS—I am quoting from yest-
erday’s Canberra Times. Indeed, for the
benefit of the House, I will table the article.
Can I conclude by saying this: what the
Leader of the Opposition ought to be en-
gaged in is formulating real policy instead of
this roly-poly roll-back.

Ms Gillard—Mr Speaker, I raise a point
of order. I direct your attention to page 490
of House of Representatives Practice, par-
icularly the following sentence:
It is not in order to use offensive words, and so on, against another Member by means of a quotation or by putting words in someone else’s mouth. That is what the minister has just done. I have asked for a withdrawal. A withdrawal ought to be asked for now. The minister ought to withdraw those expressions. The fact that they were contained in a quote does not assist the minister on that basis. They ought to be withdrawn.

Mr Abbott—Mr Speaker, on the point of order: the comments of the editor of the Canberra Times were very mild compared to what members opposite are saying about the Leader of the Opposition—

The SPEAKER—The Leader of the House will resume his seat.

Mr Abbott—and if that cannot be quoted in this parliament, what can be?

The SPEAKER—The Leader of the House will resume his seat! I will rule on the—

Mr Tuckey—Mr Speaker, I raise a point of order. Standing order 90 refers to reflections on members, and it says ‘imputations of improper motives’. If you visit the Hansard on this matter, you will see that the reading of that item did not reflect an improper motive on the Leader of the Opposition; it just said he was incompetent.

The SPEAKER—The member for O’Connor will resume his seat. If the Manager of Opposition Business finds that word offensive, I will call on the minister to withdraw. The minister will withdraw.

Mr ANDREWS—Mr Speaker, I just seek your clarification. The member opposite raised a point of order about an excerpt from the Canberra Times. Is that what I am asked to withdraw?

The SPEAKER—I believe it is, and the minister will withdraw.

Mr ANDREWS—The article speaks for itself. I will otherwise withdraw.

The SPEAKER—No, the minister will withdraw.

Mr ANDREWS—Mr Speaker, can I also seek a clarification—

The SPEAKER—No, the minister will withdraw.

Mr ANDREWS—Mr Speaker, I withdraw. On a point of order, Mr Speaker: I have tabled the document.

The SPEAKER—That is not the point. The minister will withdraw.

Opposition members interjecting—

The SPEAKER—Yes, he has withdrawn.

Asylum Seekers

Mr RUDD (2.57 pm)—My question again is to the Minister for Foreign Affairs. I refer again to my previous questions. Is the minister aware of section 336F of the Migration Act, which prohibits, under law, the unauthorised disclosure of information identifying an applicant for a protection visa to the foreign government from which protection is sought? Can the minister provide an absolute assurance to this House that the actions of his department in contacting the Chinese embassy did not breach this provision of the Migration Act?

Mr DOWNER—Yes, I can.

Chronic Illness

Mrs MARKUS (2.58 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the House of how the government plans to provide better medical care to people suffering from chronic illness?

Mr ABBOTT—I thank the member for Greenway for her question. As the Prime Minister and the state Labor premiers agreed recently, we have a very good health system. Our challenge is to make a good system even
better. That means, amongst other things, better management of chronic disease, particularly with an older population in the years to come. To that end, on 1 July, the government will introduce new Medicare items to ensure that people with chronic diseases such as asthma, diabetes, mental illness, heart failure, cancer and arthritis get more attention from their GPs. There will be very substantial new rebates, up to $120 per consultation, to ensure that GPs give their patients the time that they need and also to ensure that GPs become patient-managers rather than simply gatekeepers to the health system.

These new items are in part a response to the red-tape task force which the government commissioned. They have been worked through with all of the GP representative groups. What they should mean is that GPs have far more time to spend with their patients, rather than on their paperwork. This is more good news from the Howard government. These are further, incremental improvements to what is already a very good system, and this is more evidence that the Howard government—

Opposition members interjecting—

Mr ABBOTT—They know what is coming; you know the message is getting through when the opposition parrots the message on cue. This is more evidence that the Howard government is the best friend that Medicare has ever had.

Mr Chen Yonglin

Mr Rudd (3.00 pm)—My question is to the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs. I refer to the statement by Senator Vanstone where she confirmed that an officer of the department of immigration had contacted the Chinese Consulate-General in Sydney following Mr Chen’s initial contact with Immigration’s Sydney office. Can the minister provide the House with an absolute assurance that this contact and this conversation between Sydney’s Immigration office and the Chinese Consulate-General did not breach the provisions of section 336F of the Migration Act?

Mr McGauran—I thank the member for his question. I should say at the outset that the application for a protection visa by the person involved is being processed in the normal way but as a priority. Mr Chen was provided with a briefing on his visa options before he lodged a protection visa with the department on 3 June. He was contacted by DIMIA early in the following week and offered the opportunity for a protection visa interview to be held later that week. At his request, the interview was rescheduled for a later date acceptable to him as he and his representative wanted more time to prepare the application. Questions about his request for political asylum should obviously be directed to the foreign minister’s portfolio. The application will be processed in the normal way.

Mr Rudd—Mr Speaker, I rise on a point of order going to relevance. My question sought an assurance of the type the Minister for Foreign Affairs just gave. He refused to give one.

The Speaker—The minister has finished his answer. The member for Griffith knows that if he oversteps the mark then he will be dealt with.

Mr Lindsays (3.02 pm)—My question is addressed to the Attorney-General. Would the Attorney inform the House of recent reforms to the delivery of services to Indigenous Australians?

Mr Ruddock—I thank the honourable member for Herbert for his question. The government has been seeking ways to improve the delivery of services to Indigenous
Australians and has been particularly disappointed that, in a number of areas of Australia, organisations that have been providing those services have not been doing so in a cost-effective way. Notwithstanding that, a number of others were. In order to deal with that issue, the government has implemented a new open and competitive tendering process to ensure that Indigenous Australians have access to high-quality legal services and to ensure value for money. As the member for Herbert would be aware, on Friday I announced that two organisations had successfully tendered to deliver these services in Queensland. One of them is based in Townsville and will be delivering services to North Queensland; the other is based in Brisbane.

This means that the tender process has now been completed in Victoria, Western Australia and Queensland. In each of these states, groups successful in winning contracts have been outstanding organisations with a proven track record in delivering comprehensive legal and support services. It also happens that they are Indigenous organisations. They have clearly demonstrated that they can, in a competitive tender situation, compete successfully. I congratulate them on the important work that they are going to undertake. I congratulate those organisations in Queensland because they had demonstrated records. This means that some of those organisations which were more questionable in the past will no longer be in the field.

The tender process continues in other states, and I expect all contracts to be dealt with by 1 July next year. This is about ensuring that Indigenous people, who deserve the best possible advice and representation available, will continue to receive it—and they will get better services because they will be provided in a more cost-effective way.

Mr Chen Yonglin

Mr Rudd (3.05 pm)—My question is again to the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs. I refer to the foreign minister’s answer to my earlier question in question time today when he provided the House with an absolute assurance concerning DFAT’s obligations concerning the confidentiality of Mr Chen and DFAT’s conversations with the Chinese embassy. I ask the minister: can the minister also provide the House with an absolute assurance that the contact and conversation between Sydney’s Immigration office and the Chinese Consulate-General did not breach the provisions of section 336F of the Migration Act?

Mr McGAURAN—I am confident that DIMIA officials at all times acted in accordance with the law and their legal obligations. Where is the mystery on this, given that the department recently issued a media release setting out the context of the contact by the DIMIA official with the Chinese consulate? That press release made it clear that the contact—

Mr Rudd—Mr Speaker, I rise on a point of order going to relevance. I asked a very simple ‘yes or no’ question. Can the minister provide his assurance to the House that the obligations of the act have been adhered to by Immigration?

The SPEAKER—I remind the member for Griffith that if he raises a point of order then it is not necessary to repeat his question.

Mr McGAURAN—DIMIA has issued a statement making it clear that the contact with the PRC consulate was short; only confirmed that the person in question, Mr Chen, worked at the consulate; and did not disclose any information about Mr Chen’s whereabouts or intentions. The fact that he was seeking protection was not known to the department at the time.
Employment

Mr VASTA (3.07 pm)—My question is addressed to the Minister for Workforce Participation. Will the minister inform the House how the government is helping more Australians to participate in the work force?

Mr DUTTON—I thank the member for Bonner for his question. He is a great member and he is working hard. I know that he has a great interest in Work for the Dole activities and he does pretty well. This government is very proud of its record in putting people into work and helping people through employment programs. It is part of the reason that unemployment under this government has halved from what it was when the Leader of the Opposition was employment services minister. It is no wonder that we have also continued to increase participation rates in this country. We now have working age participation at the record level of 64.6 per cent and female participation at a record high of 57.1 per cent.

Tonight I will hand out awards at the Prime Minister’s Work for the Dole awards. The awards are recognition for excellence amongst the community work coordinators, the sponsors and those participants who have engaged in wonderful projects to help their communities. Over the last 12 months this government has been involved in placing 272,000 long-term unemployed people into work. There is more that we need to do, and this government will continue to do it and we will continue to support the unemployed in this country.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Labour Market

Mr HOWARD (Bennelong—Prime Minister) (3.09 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—I would like to correct a minor detail in an answer that I gave. I said in response to a question that the unfair dismissal law approach was pioneered by the Keating government in 1992. I was wrong. The laws were announced in December 1993 and they were introduced into parliament in June 1994. But they still remain terrible laws.

QUESTIONS TO THE SPEAKER

Ruling

Mr NEVILLE (3.09 pm)—Mr Speaker, I would ask you to reflect on a ruling that you made today. Are we to understand in this House that when someone quotes from something on the public record, namely their capital city newspaper, and someone else in the House finds that offensive——

The SPEAKER—Order!

Mr NEVILLE—Are we to understand that when something does appear on the public record in a capital city newspaper, and someone else in the House finds that offensive——

The SPEAKER—Order!

Mr NEVILLE—Are we to understand that when something does appear on the public record in a capital city newspaper that, if another member takes offence at it, it is not just meet for this parliament? I suggest to you, Mr Speaker, that if that were to become a precedent it would be a very dangerous intrusion onto the rights of members of parliament.

The SPEAKER—I thank the member for Hinkler. I will re-examine it but I also remind the member for Hinkler that, just because something appears in a newspaper, it does not mean that it cannot still be found to be offensive to a member, and therefore quoting it does not remove the responsibility
of a member or a minister in respecting others in this chamber.

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (3.11 pm)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the honourable member claim to have been misrepresented?

Mr BEAZLEY—Yes.

The SPEAKER—Please proceed.

Mr BEAZLEY—I have been misrepresented in the headline of a newspaper yesterday, to wit, the Australian. I have been misrepresented by the Prime Minister today and I have been misrepresented by the workplace relations minister. In regard to the government’s proposed legislation I have never used the expression ‘roll back’. In relation to the intentions of the Australian Labor Party, we will unquestionably go to the next election with a proposal to reform the government’s industrial relations legislation to make it fairer for ordinary Australian wage earners.

QUESTIONS TO THE SPEAKER

Unparliamentary Language

Mr TANNER (3.11 pm)—I have a couple of questions to you, Mr Speaker. The first concerns your policy with respect to interventions regarding the use of unparliamentary language. You may recall that on the Thursday evening of the last sitting day I spoke on the adjournment and you ask me to withdraw the description of the Prime Minister as a ‘hypocrite’. No intervention was made by any member at that time, but you asked me to withdraw. As a result of me refusing to withdraw, you then threw me out of the House. Fortunately no division occurred. Given that the term ‘hypocrite’ is hardly high on the list of unparliamentary language, I am wondering why you did not choose to intervene today when terms were used that I think were significantly more serious with respect to the Leader of the Opposition such as a ‘crooked’. I wonder whether you could enlighten the House on your policy with respect to when you will unilaterally intervene to seek a withdrawal rather than waiting for a member to request a withdrawal.

My second question relates to your policy regarding giving members the call. Early in question time the member for Denison sought to take a point of order and by the time you recognised him the minister had finished his answer. Later in question time the member for Chifley had the same problem. May I very politely suggest that you may get your lateral vision checked because it seems that you have some difficulty acknowledging people up here.

The SPEAKER—The member for Melbourne has made his point. In response to the first question, I make the point that the chair does not need another member to draw attention to unparliamentary or offensive language. The chair has a responsibility to uphold the standards of the chamber. In relation to the second point, yes, unfortunately I did not see the member for Denison but as soon as I did I attempted to give him the call.

Standing Orders

Mr TUCKEY (3.14 pm)—Mr Speaker, I have a question to you also. I wonder whether you could enlighten the House in due course as to standing order 98(D)(1), which says that questions must not ask ministers for an expression of opinion including a legal opinion, and relate that to the questions put by the member for Griffith today.

The SPEAKER—I thank the member for O’Connor and I will examine the Hansard and report back as appropriate.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.14 pm)—Documents are presented
as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:
Gene Technology Regulator—Quarterly report for the period 1 October to 31 December 2004

Debate (on motion by Ms Gillard) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Industrial Relations

The SPEAKER—I have received a letter from the honourable member for Perth proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The reduction in the living standards of working Australians as a result of the cutting of wages, slashing of conditions and entitlements and removal of safety nets for employees through the Government’s extreme, unfair and divisive industrial relations changes.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr STEPHEN SMITH (Perth) (3.15 pm)—The topic of the matter of public importance is a reduction in the living standards of working Australian families, families who find it hard to make ends meet and who struggle to keep their heads above water. Make no mistake: this will be a defining issue of the 2007 federal election campaign. The Prime Minister said today that we should take this issue up with him day in, day out—and do not worry; we will. The MPI describes the government’s proposals as ‘extreme, unfair and divisive’, and they are. The Prime Minister has been waiting 30 years to have a go at making these changes and, now that he has all the power under the sun, he is not being shy about having a go. The more the Australian community find out about these proposals, the less they will like them. It is unquestionably the fact that the Prime Minister has gone way too far here, and the community will slowly but surely come to understand that these changes will impact adversely on their living standards and on their rights and conditions in the workplace.

The public policy objective of the Prime Minister is quite straightforward. It is to reduce wages, to strip entitlements and conditions and to remove or reduce safety nets. If those are not his objectives, then why won’t the Prime Minister give the simple guarantee that we have been asking from him day in and day out at question time? We are simply asking him to guarantee that no individual Australian employee will be worse off as a result of these changes. The Prime Minister will not give that guarantee, the Treasurer will not give it and the Minister for Employment and Workplace Relations will not give it. This is a guarantee the government gave when they had Peter Reith with the balaclavas. They gave it then but they will not give it now, because the public policy objective is to drive wages down, to remove conditions and entitlements and to remove or reduce safety nets and minimum standards.

The framework that puts this into effect is quite straightforward. It is in about half-a-dozen areas. There is plenty of detail, and there will be much more detail to come with the government’s legislation. But the framework of the approach is quite clear. It is to take an axe to the minimum wage and the minimum wage case. It is to take an axe to the independent umpire, the Australian Industrial Relations Commission. It is to take an axe to minimum conditions and awards through changes to allowable matters and the
no disadvantage test. It is to take an axe to the states and the state systems. It is to open Pandora’s box on unfair dismissal and to take an axe to collective bargaining and the rights to associate and join a union and to act upon those rights in the workplace. That is the straightforward approach here. This is about reducing wages, removing those conditions, removing those safety nets and removing those minimum standards. This legislation takes an axe to the minimum wage, an axe to the commission, an axe to award conditions and minimum standards, an axe to the states and the state systems and an axe to collective bargaining, and it opens up Pandora’s box for unfair dismissals in workplaces where there are 100 employees or fewer.

The first point of detail that I want to draw attention to is the changes the government is proposing to make to allowable matters and the no disadvantage test. For many members of the public, this is arcane industrial relations speak. But they do understand important things like public holidays, allowances, loadings, penalty rates and redundancy pay. Currently we have 20 allowable matters. These are the allowable matters that are contained in awards which form the minimum standards for awards, for collective bargaining and the test against which a person’s entitlements are made. These matters are scrutinised by the Australian Industrial Relations Commission, the independent umpire.

The government proposes to eliminate four of those allowable matters overnight: superannuation, jury service, notice of termination and long service leave. They will go out of the minimum standards required against which awards, collective bargains or individual contracts or agreements will be tested. The government proposes to go from 20 allowable matters to five, to include part or all of four conditions currently contained—ordinary time; hours of work; annual leave; and personal or carers leave and parental leave, including maternity leave—and a single minimum wage. Effectively, the system will go from 20 allowable matters to four allowable matters and a single minimum wage, leaving at risk things such as public holidays, allowances, loadings for working overtime or for casual or shift work, penalty rates, redundancy pay and incentive based payments. These things are all at risk through the government’s changes in this area and no longer will we see the independent, impartial umpire, the Industrial Relations Commission, being the arbiter of what does or does not meet the no disadvantage test. Simply by lodging an agreement with the Office of the Employment Advocate, the government’s retail agent for Australian workplace agreements, the test will be met.

The combination of these changes, the government’s encouragement of the use of Australian workplace agreements and the extension of the unfair dismissal changes, from workplaces of 20 employees to workplaces of 100 employees, is the most pernicious part of the government’s approach. That is where the real social, policy and political evil comes in. In the old days of the Court and Kierath reforms in Western Australia, where much of this is taken from, the adage used to be ‘sign or resign’. Now the adage will be ‘sign or be sacked and have no remedy for being sacked unfairly’. The government is proceeding on the basis that somehow it is appropriate public policy to say that if you are the 101st employee at a workplace you cannot be dismissed unfairly but if you are the 99th you can. That goes right to the heart of the pernicious nature of this legislation.

Make no mistake: when the community come to appreciate the insidious and invidious combination of reducing allowable matters, reducing the standard of the no disadvantage test, promoting Australian workplace agreements, removing the Australian Indus-
trial Relations Commission from the compliance role for those standards, and standing over an employee saying, ‘You sign or resign’, the community will walk away from these changes in droves. This is all about the wages and conditions of Australian working families. It is a fundamental shift in a balance of power; it seeks to impose the political and economic will of people with strong bargaining power on people with weak or minimal bargaining power.

There are a couple of fundamentals which pervade the government’s approach and which are worth referring to. The first fundamental is that these changes pay no attention whatsoever to fairness. On the contrary: the government and the minister, with the Business Council of Australia, quite openly stand up and say that fairness is not a public policy priority when it comes to this area. The minister has previously welcomed and endorsed the statements of Michael Chaney from the Business Council of Australia. Michael Chaney, who comes from a good family in Western Australia and who should know better, articulates the view that fairness is not a public policy criterion in this area—that the relationship between an employer and an employee in Australian society should not be cluttered by fairness, that workplace arrangements between an individual employee and employer or a group of employees and employers should not be cluttered by fairness.

Where do we find that most starkly articulated? We find it in the government’s attack upon the minimum wage. When the Prime Minister is asked to give a guarantee that no-one will be worse off, he says: ‘No, I don’t need to worry about that. My guarantee is my record.’ But he walks a million miles away from his record on the minimum wage. He will not respond to that in any way at all. What do we know of the Prime Minister’s record on the minimum wage? This government has opposed every minimum wage case outcome since 1996. If the government’s view had prevailed before the commission, individual Australian employees on the minimum wage would be $50 a week—$2,600 a year—worse off.

And what was the government’s submission for the 2005 case, the case recently determined by the commission? The government’s submission was that people on $24,000 to $25,000 a year, people on the minimum wage, should have their wage increased by 29c an hour—that it should not be increased from $12 an hour to $13 an hour. It was a 2.35 per cent increase so far as inflation is concerned, less than the inflation rate found in the budget papers and less than the inflation rate found on the Reserve Bank’s web site—a real cut in the wage of people on $24,000 to $25,000 a year. The government said, ‘A $6 tax cut is fair enough.’ The government says you can have a $65 a week tax cut if you are on $110,000 but a $6 a week tax cut if you are on the minimum wage of $24,000 or $25,000.

And let me draw attention to something that most people do not know: the government went back to the Australian Industrial Relations Commission with a supplementary submission and said to the commission, ‘Before you determine the minimum wage case outcome, you should take into account the fact that people on $24,000 to $25,000 will get a $6 a week tax cut.’ It made no comparable supplementary submission to the Remuneration Tribunal when the Remuneration Tribunal said that members of parliament should have a real wage increase—they were the recipients of a $65 a week tax cut—let alone a submission about the benefit that comes from the removal of the superannuation surcharge. That reflects massive unfairness.
Another unfairness is the unfair dismissal arrangement that I have referred to. Ninety-eight per cent of Australian workplaces will be subject to that arrangement. A rule-of-thumb figure is that there are nine million employees in the workplace in Australia. Four million of those Australian employees will be subject to an arrangement that essentially says: ‘You turn up today. You can be sacked. There is no remedy, no recourse. You can be unfairly dismissed. Unless you sign an individual contract, you are out the door.’

The second fundamental principle which is littered throughout the government’s proposals is the government’s view that the trade union movement does not have a legitimate role to play in the social and economic affairs of Australian society. We find that in the undermining of collective bargaining, rights to associate, rights of entry and a range of traditional, standard rights in the workplace that have been there for many years at state and federal level.

The government does not believe that unions have a legitimate role to play in the social and economic circumstances of Australian society. I pose a simple question: who came to the rescue of the asbestosis and mesothelioma victims of James Hardie? I did not see Treasurer Costello, Prime Minister Howard, Minister Andrews or employer associations on a white horse; I saw the trade union movement.

There are two fundamental principles here. The government does not believe that fairness is appropriate here and the government does not see a legitimate role for the trade union movement. We do. What does the government say in response to our concerns? Firstly, it says, ‘Don’t worry.’ All of these things were said in 1995. When the Prime Minister introduced these measures, he said: Let me quote just one example of the Chicken Little mantra that was the stock-in-trade of the Australian Labor Party ... Of the Chicken Littles, none was more shrill than that noted rooster, the member for Perth ...

The word ‘rooster’ was always a term of endearment, and I take the reference from the Prime Minister as a badge of honour. The Prime Minister continued:

In October 1995, he— the member for Perth— said this:

The Howard model ... is all about lower wages; it is about worse conditions ... it is about the abolition of safety nets; and it is about pushing down or abolishing minimum standards.

It was true then and it is true now. What the government will not tell you is what happened between October 1995 and now. The Senate, through the Democrats, knocked off about 175 proposals through various amendments. How many times have we seen the government say: ‘It is shocking and terrible. That Labor party in the Senate—they’ve stopped bill after bill.’ There must have been hundreds of industrial relations bills that we stopped—hundreds! Well, at least 15 or 20. The government cannot have its cake and eat it too. The government cannot say ‘We are pursuing these reforms because that terrible rotten Senate stopped all these things occurring’ and then not accept the fact that the things we said in 1995-96 when Reith was there with his balaclavas and alsatians were true. They were true then; they are true now.

The problem for the parliament and the community now is that the government has all power under the sun. I know that the Prime Minister used to have Reith with his alsatians and balaclavas. Now he has Minister Andrews; he is more of an opera glasses and poodle man, but he does follow his instructions. Not for nothing did he turn up to the annual general meeting of the HR
Nicholls Society and give the vote of thanks to the overseas visitor who said that there should not be a minimum wage at all. This is an iron fist in a velvet glove, but make no mistake: the government is trying to do everything it wanted to do with Reith, and more. When you get all power under the sun, you get too close to the sun. Sometimes you are touched by the sun. This issue will come back to bite the government. It has gone too far with these proposals—it has gone way too far—and the community will understand that.

When the Prime Minister walks away from his minimum wage record, the other point he makes is: ‘Look, my guarantee is my record. Look at the increase in real wages that has occurred since I came to office.’ Let us just look at the things he will not tell us. The Prime Minister does not tell us that when he left office as Treasurer in 1983 he left a 10 per cent inflation rate and when he returned to office as Prime Minister in 1996 the inflation rate was two per cent. Last time I looked, the essential thing about a real wage increase was the value of the wage increase over inflation.

In the course of Labor being in office, in addition to the structural changes we made that set the country up for 14 years of economic growth—and I would have thought that 14 years of economic growth was a helpful contribution to real wage increases—what did we see? Disposable income under Labor increased by 40 per cent because of a social wage through superannuation and a universal health care system, both of which the Liberal Party opposed violently. We have also seen—and the Industrial Relations Commission in its 2005 wage case decision refers to it—a shift from profits to wages over that period and continuing, which has helped create the incentives for investment and economic growth.

At a time of a shift from profit to wages over a decade and a half, at a time of record corporate profits, why would you think it made sense in the economy to take an axe to the backs of people on low pay, to take an axe to the backs of people on the minimum wage? It is all about ideology; it is all about zealotry. The Prime Minister has been waiting 30 years to achieve it and now he thinks he can, but he has an election to get through. After that election you will see Labor produce a fair system based on fairness and the fundamental principles of minimum standards, wages and conditions; safety nets; an independent umpire; the right to associate; and the right to collectively bargain. The Australian community will catch up with you, to your regret, in this area. (Time expired)

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.30 pm)—Can I, in contrast to the honourable member for Perth, start my remarks with a few facts. Fact No. 1: we have the lowest unemployment rate in almost 30 years in Australia—a far cry from what it was when the Leader of the Opposition was the minister for employment in the Hawke-Keating government. Fact No. 2: we have 1.6 million extra jobs in Australia which were created over the last nine years. Fact No. 3: real wages in this country have increased over the last nine years by some 14 per cent—again, something which stands in marked contrast to the 1.2 per cent increase in real wages under 13 years of the Labor government. Fact No. 4: in the last few years industrial disputation in this country has been at the lowest levels since records were first taken, and that goes back to the time of Gallipoli.

When one starts a debate about industrial relations and bases it on some factual indication of what has actually happened in Austra-
lia in the last decade, it is a far cry from the scaremongering of the member for Perth. But
the member for Perth is not new at this. He quoted the Prime Minister, who in turn quoted the member for Perth. On 17 October 1995 the member for Perth said:

The Howard model is quite simple. It is all about lower wages; it is about worse conditions; it is about a massive rise in industrial disputation; it is about the abolition of safety nets; and it is about pushing down or abolishing minimum standards. As a worker, you may have lots of doubts about the things ... you might lose, but you can be absolutely sure of one thing: John Howard will reduce your living standards.

That was the member for Perth in 1995. We have a sense of deja vu today in his claims about what might happen in the future. The reality is that what he predicted on 17 October and other occasions in 1995 has turned out to be totally untrue—totally false. Rather than lower wages, worse conditions and a massive rise in industrial disputation, what we have seen over the last 10 years—particularly since this government has been in power—has been about an increase in real wages for Australians, about better conditions and about a decrease in industrial disputation as well as about the falsity of the other claims that have been made by the honourable member for Perth.

On the weekend the Leader of the Opposition made speeches to the ALP conferences in New South Wales and Queensland. These conferences, ordinary Australians might think, might be representative bodies of the ordinary working class in Australia. But it seems that that is far from the truth. In an article in the *Sydney Morning Herald* on the weekend, it was pointed out that apparently there are 393,000 members of unions in New South Wales where those unions are affiliated with the Australian Labor Party—almost all the unions. But the number of people who are members of the Australian Labor Party and are unionists is actually less than one per cent of those 393,000 people. So the speeches were not made to an audience of ordinary working Australians—the ordinary working Australians that have benefited under this government. These were speeches made to the apparatchiks of the union movement who control the Labor Party in Australia—who control it to the extent that over the last nine years the union movement in Australia has donated well over $40 million to the Labor Party. This is a merry-go-round system where the unionist bosses control the Labor Party and make donations to the Labor Party; in return we see industrial relations policy being made by the Labor Party for the union bosses in Australia. That is the only way that one can describe the regressive policies of the ALP when it comes to industrial relations.

Let us consider what the Australian Labor Party’s policies are in relation to industrial relations. They have not been changed since the last election, at a time when this was placed squarely on the agenda for the Australian people in the matters which were raised during the election campaign. That at least is one reason why the Australian people rejected the Labor Party last October. Let us consider what the Labor Party’s proposals involve: reintroducing comprehensive and prescriptive awards, returning to the days when we had 500- and 600-page awards controlling every minute of every day of workers in Australia; empowering the Industrial Relations Commission to be involved in every step of the enterprise-bargaining processes; taking away from people the right to have a choice, which they have increasingly entered into and taken up in Australia; and abolishing Australian workplace agreements. This is a favourite of the member for Perth and the Labor Party. There have been almost 700,000 Australian workplace agreements entered into in Australia since they were in-
roduced by this government, and they give businesses and workers flexibility that they did not have before.

One example that may be well known to the member for Perth is Catalano Seafoods, which I understand operates in Perth in Western Australia. Catalano Seafoods is subject to the seasonal nature of seafood processing, like many other businesses. I see the member for Lyons here. Tourist operations that are in business on the west coast of Tasmania in places like Strahan have also taken up and made use of AWAs. Catalano Seafoods is a good example. Because of the seasonal nature of the work in seafood processing, they had as part of their work force a large number of people who were casuals and not in permanent employment. With the use of Australian workplace agreements, they were able to smooth out the seasonal nature of work at Catalano Seafoods—so much so that today over 90 per cent of the employees at Catalano Seafoods, through the use of Australian workplace agreements, are now permanent employees of that business. I would have thought somebody pretending to represent the workers of Australia would be saying that this is a good outcome not just for the business itself but for its workers and their families. Yet there is this ideological objection to Australian workplace agreements on the part of the Australian Labor Party, the Leader of the Opposition and the member for Perth.

But let us go to the other things that the Labor Party would abolish if they were able to roll back the industrial relations changes—and not just those being proposed by the government at the present time but also those that have been in operation for the last number of years. It is interesting that the Leader of the Opposition and the Labor Party were very sensitive about the word ‘roll-back’ today. We know their history on roll-back; they were going to roll back the GST: Who are the greatest advocates of the GST in Australia today? The Labor state premiers, all of whom want to hang on to the money that comes directly to their coffers through the GST. So when you hear the word ‘roll-back’ around Labor Party policies, you should just think about the example of the GST and the Labor Party’s flipping and flopping over that and finally, after two terms of parliament, their deciding that they would not proceed with the roll-back—the roll-back of the roll-back. We will hear more about that in relation to industrial relations.

The introduction of a national payroll tax is also part of the Labor Party’s policy; that would cost more than $270 million and probably 5,000 jobs. Labor would mandate compulsory union bargaining and interference in every workplace. It also would remove the secondary boycott provisions from the Workplace Relations Act and abolish the 20 allowable matters cap in awards. So, as part of the policy of the Labor Party, we would return to the 500- and 600-page awards of the past. Labor would abolish the building industry task force and reignite the unfair dismissal burden on small businesses. That would make it even easier than it is now to bring an unfair dismissal claim, because Labor would abolish or greatly reduce filing fees—one of the very few things to have put some sort of brake on unfair dismissals in this country.

It is no wonder that, in the lead-up to the last election and not only on October 9, the Australian people rejected these sorts of policies from the Labor Party—and Labor has not repudiated these policies, although I will come to its present flip-flopping—and that everybody else who made a notable contribution in that debate said that the policies were misguided. Labor’s most successful pollster, Rod Cameron, described the party’s AWA policy as misguided and its overall workplace policy as ‘backward-looking and
totally out of step with community and work force trends’. When you have 1.6 million extra jobs and a 14 per cent increase in real wages, it is no wonder that you would start to question the logic of winding back a policy that had helped bring about that situation in Australia.

John Edwards, Paul Keating’s former economics adviser, described the platform as one that had the potential to ‘reverse Labor’s own reforms of 1992-1994 and reintroduce the worst aspects of the old awards system’. This man was one of the chief advisers to Mr Keating when he was the Prime Minister of this country. Access Economics, one of the ALP’s preferred economics consultants, concluded that:

Such policies are unlikely to deliver on the four goals espoused by the ALP—high growth, high incomes, low unemployment, and a fairer Australia. ... the ALP workplace relations policy platform runs the risk of moving Australia further from those goals.

So even Access Economics, one of the Labor Party’s economics consultants of choice, was saying that the goals that were espoused by the Australian Labor Party were unlikely to be advanced by the very policies it took to the last election. Indeed, on the weekend I saw remarks from the Leader of the Opposition about a decrease in productivity in Australia, and yet, on the other hand, he proposes policies that would further limit productivity growth in this country. There is simply no logic in these propositions coming from the ALP. It reminds one of the ALP’s proposals in relation to tax policy, and that is to block. Labor is the only party still blocking and saying that it will block in the Senate those tax proposals which were announced in the budget this year and which would be to the advantage of all Australians.

But criticism of the ALP’s approach to industrial relations is not confined to those I have quoted. The Australian business community has overwhelmingly condemned the ALP’s platform as a serious threat to the economic health of Australia. The Australian Chamber of Commerce and Industry warned that it would:

... adversely affect the interests of private employers and compromise economic development. It said:

The additional costs it would impose on business through further regulation and heightened trade union activity would have significant implications for jobs and employment ...

This organisation, which represents businesses that employ something like 3½ million Australians, says that this would have an adverse impact on jobs and employment in Australia. Surely those who are creating the jobs and employment in Australia ought to be listened to by those who are making policy, particularly those in the ALP.

The Business Council of Australia also warned of ‘real threats to Australia’s continuing economic and job growth if workplace relations were re-regulated in line with Labor’s platform’. The member for Perth spoke about Michael Chaney, one of the members of the Business Council of Australia and head of its IR committee. Mr Chaney has warned about the policies of the Labor Party and said that they would take Australia backwards.

The Australian Mines and Metals Association, which represents businesses that are involved in developing the resources sector, described Labor’s IR policy as ‘a disastrous U-turn’ in IR policy making for the resources sector and Australia generally. It seems that no account whatsoever is taken by the Australian Labor Party of the dire warnings of organisations such as this, which represents companies that are responsible for much of the wealth creation in Australia through the resources sector, about what the Labor Party’s policies would do for this country.
and every one of us in terms of our job prospects and wage prospects.

The Australian Industry Group described Labor’s policy as:
... a major retrograde step, which would have enormous economically damaging impacts and really, it would drive investment out of Australia. Any Australian that hears this litany of complaints about a policy by a political party ought to be concerned about it.

Mr Adams interjecting—

Mr ANDREWS—The member for Lyons says that it is only one side of the argument. It is the side of the argument that is concerned about investment in Australia, which is a critical, core component of employment and jobs. I know the member for Lyons is interested in jobs and employment. He was concerned about jobs and employment for people in the Tasmanian forestry industry, and rightly so. I suggest he go and talk to people like those at the Bakehouse in Strahan, Tasmania. They were able to use AWAs to smooth out the seasonal fluctuations in terms of the tourist trade for that business. I suggest that he go and ask the workers there whether AWAs were an advantage to them in Strahan. The member for Lyons and everybody who knows the west coast of Tasmania would be aware that there are great seasonal fluctuations in terms of employment. There is employment when the tourists are there, when they come. Do you want people working for three months of the year and not being able to work for six, eight or nine months of the year, or do you want to smooth out the seasonal impact on employment in industries like that?

I know the member for Lyons has his heart in the right place in terms of protecting the workers of Tasmania and the workers of Australia. I say to him: look at the record. That is where I began this speech. The record is that there are 1.6 million more jobs in Australia than there were in 1996. There has been a 14 per cent growth in real wages. We have the lowest level of industrial dispute in this country. We are in a time of prosperity, but if that prosperity is going to continue for this and future generations then we cannot rest on our laurels. The world does not owe us a living. We have to make further reforms to ensure that all Australians can thrive into the future.

Ms GEORGE (Throsby) (3.45 pm)—I am pleased to be able to speak today on this matter of public importance. It is a matter of importance not just to those in this chamber; it is a matter of increasing public importance that will be taken to people in the community in the months and years ahead in the lead-up to the next election.

I am amazed at the introduction of the Minister for Employment and Workplace Relations to the debate this afternoon. He asks us to look at the record and at the facts. Then he goes on to talk about the fact that we have now the lowest unemployment rate, the extra jobs that are being created, the real wage increases that have occurred and ends by talking about the fact that, in this country today, we have the lowest level of dispute on record—an all-time low.

The first question one would ask is: if all these economic outcomes have been achieved under a system of conciliation and arbitration that has served this nation well for over 100 years, what is the minister’s rationale for the extreme, divisive and unfair changes that this government wants to introduce? Secondly, I listened very carefully to what the minister had to say and there was a good deal of speculation about what Labor may or may not do in the future but very little rationale for the kinds of measures that this government is intent on introducing.

The minister thought the heat was on the opposition about what they may or may not
do. The government’s real agenda is to obfuscate and cloud the issues in this debate by appealing to the often heard refrain in this House, ‘The Howard government is the best friend that the workers of Australia have ever had.’ How often have we heard that line? We have heard it repeated often in this House. The government thinks that, if you repeat a slogan ad nauseam and often, somehow people will believe it. People on this side of the chamber understand quite clearly, as the community will, that this refrain is no more than a spin—a real con job—and that this will be well and truly understood by the community as the package of proposals is unravelled and brought to their attention—not in any scaremongering way, as the minister suggests, but the truth will be laid out for all the people in the community to make their judgments about this government’s real intent.

As the member for Perth explained in his contribution, this agenda is really about John Howard’s lifelong political ambition of deregulating the Australian labour market and ridding Australia of effective trade unionism that is there to protect those who are most vulnerable in the workplace. He now hopes that with control of the Senate, which comes after 1 July, his punitive and extreme agenda will finally be adopted.

We have been lucky in being able to protect working people in the community because the Senate has been able, up until now, to temper the worst excesses of this government’s ideological zealotry. The Senate has provided checks and balances, but the community needs to understand that, from 1 July onwards, that will no longer be there. We know this government’s form on industrial relations matters, we know that the tentacles of the maritime dispute reached into the highest levels of this government and we know what their objective was on the waterfront. But the men in balaclavas with their rottweilers did not break the spirit of working people and neither will these proposed changes break the spirit of people out there at work in the community who, I am sure, will understand the intent of the so-called reforms this government wants to introduce.

People need to understand that the changes that the government will bring into this chamber will be the final nail in the coffin of a system of conciliation and arbitration that has served our nation well since the early 1900s. It is this system that John Howard and his government want to dismantle. The end result of dismantling that system is that ordinary workers and their families will bear the brunt of reduced wages into the future, of awards being stripped of existing entitlements, and of the removal of industrial safety nets that have ensured that Australia has been a land of the fair go and a system of conciliation and arbitration that has been the envy of the world.

Make no mistake about it: workers with the weakest bargaining power will have the most to lose. The people hardest hit will be those who we refer to as the working poor, the part-time and casual workers, workers who are not in unions, and workers for whom the award system to date has been their only protection against excesses at the workplace. We are talking about some two million workers across a range of industries who rely on their awards as their safety net: workers in the hospitality sector, the retail sector, health, the child-care sector and in community services. It will not take long for them to see through the lie that this government continues to repeat—that is, that this government is the best friend that workers have ever had. They will realise, without too much debate, that this government is no friend of working people. It will take one simple thing for the government to immediately allay their concerns. All it has to do is give a simple guarantee to all workers in
Australia. That simple guarantee is that no individual worker would be worse off under its changes. But it cannot and it will not because the changes are not about protecting existing conditions and entitlements but about eroding them.

Workers out there understand the inequities in the system. How is it that the government can sit back while the new CEO of Telstra, Sol Trujillo, receives a package of $10 million but, if you happen to be a worker on the minimum wage of $25,000, you are not being given any guarantee that your conditions and wages will remain intact? The new CEO of Telstra will earn in one day nearly double what is earned in a whole year by 1.6 million workers on the minimum wage. In today’s dollars a worker on the minimum wage would have to work for 40 years to earn but one-tenth of Sol Trujillo’s new package. It would be nice for this government not to obfuscate on the issue—not to try and deflect attention onto our supposed agenda but to say to working people, ‘Not one of you will be worse off.’ But you will not, and you cannot, because your agenda is all about making them worse off.

The government has shown its true form over the minimum wage. As the member for Perth indicated quite clearly, the government’s agenda will see people who are currently on $25,000 a year being $2,600 a year, or $50 a week, worse off if they have their way. It is no wonder they want to get rid of the independent umpire: the independent umpire has exercised independence, has taken into account what it requires to have a decent standard of living in a civilised community and has awarded increases higher than the government wants. So you get rid of the commission and you put into place a new Fair Pay Commission. What will it do? It will have the discretion to set the minimum wage on a ‘periodic basis’. How periodic will ‘periodic’ be? It obviously will not be an annual wage adjustment; otherwise the government would have stipulated that. We are looking at going down the American route, where the federal minimum wage is $6.70 an hour and has not been increased since 1997. That is the kind of fate that awaits people on the minimum wage.

The other issues under attack relate to the awards. The awards across industries have provided the industrial safety net for workers for time immemorial. But no, they are also at risk as the government moves to legislate a handful of minimum conditions, which will be the comparison, the new no disadvantage test, for agreements and individual contracts into the future. So you get rid of awards as the industrial safety net, legislate a handful of minimum conditions and then you say to employers: go for it, force people onto individual contracts with the only test being a minimum wage that is adjusted periodically and a handful of minimum conditions. We know what that will mean. It will mean that current entitlements like overtime, shift penalties, leave loadings, public holiday loadings, weekend rates and redundancy pay are all up for grabs. (Time expired)

Mr BARRESI (Deakin) (3.55 pm)—It is a pleasure to be able to speak on this MPI. It is just a pity that the members on the other side either have amnesia or have not been students of recent Australian industrial history. The best record that Australian workers have experienced has been under this government. In the last 10 years we have seen real increases in wages of 14 per cent compared to only 1.2 per cent in 13 years of Labor. People on the other side want a guarantee. We all remember guarantees and the cheapness of some of those words, particularly those uttered by the last Prime Minister on the Labor side prior to us coming in in 1996 and even his predecessor, Bob Hawke, who made that disgraceful assertion that ‘no child shall live in poverty by 1990’. Words
are cheap. The best indication of future performance and of the entitlements of Australian workers is past performance. This government can hold its head up high in terms of its record over the last nine years and what it has been able to deliver to Australian workers.

Australian workers do have a good friend in this government. The Howard government is a good friend and one that has delivered for workers in this country. Let us go through it. I know that members on the other side know these facts; they just seem to have amnesia when it comes to giving us credit for our achievements. We have delivered real wage increases of over 14 per cent, compared to 1.2 per cent in 13 years of Labor; the lowest unemployment in almost 30 years; the lowest levels of industrial disputes since records were kept; higher productivity; and the highest living standards that we have seen for workers in this country. The ALP could certainly learn from the history and the record of what this government has been able to achieve.

It is a record that we can be proud of. It is a record that, in itself, is a guarantee of the type of performance and the diligence that we will apply in government to making sure that the living standards and the financial security of Australian workers are not diminished by our industrial relations changes. As I said, we have a 5.1 per cent unemployment rate, the lowest since 1976. Last month we saw an increase in employment of 14,000, leading to a record high of 9,981,000 Australian workers. This is the highest that we have ever seen.

Over the past year 330,000 jobs have been created. Almost 70 per cent of those have been full-time positions. I know that members on the other side decry increases in employment levels, always saying that it is an increase in part-time and casual employment. Seventy per cent of new jobs created in the last 12 months have been in full-time employment. There have been 1.6 million jobs created since we came into power in 1996. This is a record that we can be proud of. This is a record that every worker in Australia can look at and say: ‘We’ve seen what you’ve done. We can trust what you’ve done. We know that you will deliver with your next reform package, as you’ve delivered in the past,’ rather than falling for the cheap scare tactics of the ALP. That is the only thing they have going in any policy area. Name the policy area, and that is the tactic that they use: one of scare and fear rather than putting down the facts and the history that we have been able to achieve in government.

By contrast, what do we have from the ALP? We had an announcement on the weekend. It took place because at the ALP conference in Queensland the Leader of the Opposition was intimidated by his union friends into giving some form of guarantee that he will roll back the industrial relations reforms if and when the ALP ever come to power. This situation would be disastrous for Australian workers. We have heard it said before in this debate, but I will say it again: do not take our word for it; simply look at some of the spokespeople on the other side who also say the same thing. Take for example John Edwards—a former Keating government economics adviser who does not sit as an adviser on this side of the House—who acknowledges that a roll back of our industrial relations reforms by a possible incoming Australian Labor Party government will take Australian workers back to the 1970s. So we are not simply rolling back the reforms of this government; we are even rolling back the reforms that took place under their stewardship when they were in power in the 1980s and early 1990s. This will be disastrous for Australian workers.
Australian workers can look to the Howard government to look after them, rather than to the cheap theatre and scare tactics of the other side. I understand that one of the things the Labor Party want to roll back is AWAs. For some reason, they have this fear of AWAs. They have got it in their system that they simply want to get rid of AWAs. They think that AWAs are a disaster and that they cheapen the conditions of Australian workers. The Australian Labor Party’s policy to abolish AWAs will be disastrous for Australian workers. It will create greater disadvantages for Australian workers than anything which they claim we would do through our system. Labor’s policy will lock workers into a rigid ‘one size fits all’ awards system, lower wages, lessen flexibility and lessen incentives to earn more. We have seen the success of AWAs since they were introduced in 1997. Since then, 691,000 AWAs have been approved. Indeed, 205,000 have been approved in the 12 months ending on 31 May, an increase of 44 per cent over the same period last year. Industries with the highest rates of AWAs have been those in the retail trade, accommodation, cafes and restaurants, property and business services. Those industries need flexibility in order to survive and they often rely on seasonality and peak demands in their work and customer base.

The Australian worker has benefited from this government’s industrial relations reforms. Another source of evidence for that, which the member for Throsby conveniently overlooked in her contribution, is the Business Council of Australia. Recent research from the Business Council of Australia estimates that the benefits of changes to the workplace relations system were equivalent to $4,200 in additional income per person in 2004. As much as the opposition would like to talk about national wage case decisions and the government’s position on those, the fact is that through this government’s policy and industrial relations reforms, we have seen $4,200 in additional income per person in 2004 because of the changes that we have introduced. It is equivalent to over $80,000 in wealth per person. That is significant and it has been welcomed by Australian workers.

Why are we having this debate? Why has the ALP all of a sudden got itself into a lather over industrial relations reform? Is it because it is losing out on all other policy fronts? Is it because it has a myopic view about who has the right to represent Australian workers? I believe it is because of two things: leadership and preselections. This is all about domestic ALP politics. It has nothing to do with workers’ rights and looking after working people. It is all to do with the two issues of leadership and preselections. The Leader of the Opposition said in a speech earlier this year that the lemon of industrial relations reform has been squeezed dry. The member for Perth says that more reform needs to take place. Richard Marles, a possible preselection candidate in the seat of Corio, has acknowledged the absurd situation that the current complex and competing systems—

(Time expired)

The DEPUTY SPEAKER (Mr Jenkins)—Order! The discussion is now concluded.

MAIN COMMITTEE

Mr BARTLETT (Macquarie) (4.06 pm)—by leave—I move:

That, unless otherwise ordered, for each of the Main Committee meetings on Wednesday, 15 June, Thursday, 16 June and Monday, 20 June 2005 the first item of business shall be Members’ statements, each for no longer than 3 minutes, with the item of business finishing by 10 am on Wednesday and Thursday, and by 5.30 pm on Monday.

Question agreed to.
family and community services legislation amendment (family assistance and related measures) bill 2005

second reading

debate resumed from 2 june, on motion by ms ley:

that the bill be now read a second time.

upon which ms plibersek moved by way of amendment:

that all words after “that” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the house calls on the government to remove the age test for the maternity payment in relation to australians who adopt children, including children from overseas, as the current policy results in australians who adopt children over the age of two missing out entirely on this payment through no fault or omission on their part”.

mrs elliot (richmond) (4.07 pm)—i rise to speak in continuation on the family and community services legislation amendment (family assistance and related measures) bill 2005. i previously spoke in relation to labor’s amendments to this bill regarding the access of adoptive parents to the maternity payment. it simply does not make sense for the government to place an age restriction of two years on adoptive parents accessing this payment. i urge the government to take up labor’s amendment for the benefit of all adoptive parents.

while the improvements in changing the method of calculating family tax payment benefit part b are welcome for those returning to work, the government has indeed missed an opportunity to address the crucial policy problems of measures like the maternity payment in this bill. as i have said, i do not believe it is fair for rich city families to get the same government support that battling families in my electorate receive. a struggling single mother from west tweed should rightly expect more support from the government that the wife of a rich north sydney executive. not only should they expect it, they deserve it.

while the government is giving families this $3,000 with one hand, it is taking it back with the other, with rising health care costs and mortgage repayments. their now infamous broken promise on the medicare safety net—the minister for health’s rock-solid, ironclad guarantee that turned out to be a waste of breath—has indeed weakened medicare and increased health costs to families. this is at a time when families can barely afford to go to the doctor. for those 10,000 families in my electorate who struggle to get by on just $500 a week, there is often a real choice made between seeing a doctor and buying the groceries. the local bulk-billing rate is just 69.5 per cent, well below the state average of 78.1 per cent. some local families simply cannot afford to go to the doctor, and the government has failed to address the problem. local families also suffer because of the government’s removal of the federal dental health scheme in 1997. they now often have to wait years for treatment.

the government’s other famous broken promise on interest rates is also hitting local families very hard. on the north coast the median house price is approximately $333,000, which means the march interest rate rise will cost an average of between $52 and $56 a month. so while the government seems to be giving families a helping hand, it is actually taking it back dollar by dollar.

the government has also missed an opportunity to cut red tape for these same struggling families. in order to get the maternity payment, families are required to fill in a very complicated 20-page form. families in my electorate are telling me that this
cumbersome and often time-consuming form would almost stop them from applying for the payment if they did not so desperately need the money. This is a government that continually puts up barriers to stop families accessing the help they need. This is a government that says, ‘We’ll give you $3,000, but we’ll make you walk through a bureaucratic minefield to get it.’ As anyone who has had a baby knows, parents of newborns barely have enough time to sleep let alone fill in a complicated 20-page document.

There are still very real and very valid concerns attached to this payment that the government has failed to address, as there are with most of the government’s welfare reforms. This year’s budget saw the creation of a two-tiered welfare system: which side of 1 July 2006 a person with a disability or a single mother goes on to benefits determines the level of government assistance they receive. The government has created a system where people suffering from exactly the same disability will have different work and income obligations and single mothers with the same needs will receive two different payments. It is an obvious display of the type of inequity we have come to expect from this government.

We have also come to expect this government to make these sorts of demands without providing the infrastructure needed to support its changes. The Treasurer is pushing sole parents back into work but has not given too much thought to who is going to look after their kids. In Tweed Heads there is only one after-school care centre. These people do a fantastic job, but their resources are stretched to the limit. They simply cannot take on any more children because they do not have the federal funding for more after-school care places. So where are the children of these sole parents supposed to go while their mum or dad is at work? The government certainly is not providing the child-care places needed to care for the children of the people it is forcing back to work. A new generation of latchkey kids will be created. This is not a measure from a government that values families. This is not a government that is providing for Australia’s future.

While I support the changes to the family tax benefit part B in this bill, they need to be looked at in the context of other government decisions. Local families in my electorate are struggling under this government with rising health care costs, no investment in local infrastructure like child-care places, a two-tiered welfare reform system and higher mortgages because of their poor economic management. It is not good enough for the Prime Minister to give with one hand and take with the other. I will continue to raise these issues until the families of Richmond are heard.

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.12 pm)—I thank members on both sides of the House for their contribution to this debate for their concern for and commitment to the families in the electorates that they represent. The Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 provides important assistance for families and for lower-income Australians renting their homes. The first initiative arises from the government’s More Help for Families package, which was announced on 11 May 2004. It relates to family tax benefit part B, which assists families with one main income and, in the case of couples, is based on the income of the lower income earner, provided that their income is under certain thresholds. Current arrangements provide for the income of the secondary earner in a couple who commences paid work for the first time or returns to paid work partway during a particular income year following the birth of a child to be taken into account under the part B income test for
that income year. This can result in a debt on income reconciliation for that year and may act as a disincentive for those wanting to return to the work force.

A new method of calculating part B is introduced by this bill. The new method ensures that the secondary earner gets the maximum rate of part B for the relevant period as long as all the criteria for the new method are met for the day or days in question. This beneficial measure will be available to a secondary earner who is a natural parent, step-parent, adoptive parent or other primary carer of the child, such as a grandparent who starts work or returns to work for the first time after taking a grandchild into their care. The measure will apply in respect of the 2005-06 income year and later income years.

Maternity payment is a substantial payment, available since 1 July 2004, to families with new children, including adopting families who assume the care of children up to 26 weeks of age. However, recent data on adoptions in Australia suggest that the majority of adoptions are inter-country adoptions which often happen when the children are older than 26 weeks, because of the lengthy processes involved. Therefore, these adopting families have often missed out on the maternity payment. The government is attentive to the needs of this group of people and has acted in this bill to widen the maternity payment age range for adoptions. Maternity payment will now be available for children being adopted from another country who enter their new family’s care and arrive in Australia before age two. This change will be backdated to the commencement of maternity payment on 1 July 2004. Local adoptions will also benefit from the age extension to cover all families assuming the care of a child before age two, assuming maternity payment has not already been paid for the child under the current rules. Several other family assistance measures are introduced in this bill. Among these are amendments to reduce the impact of family tax benefit or child-care benefit debts in certain situations. These amendments will apply in situations where parents have separated and a debt arises for one parent because an income tax return has not been lodged by their ex-partner when the return is necessary for annual income reconciliation of FTB or child-care benefit to occur.

Finally, there are two measures to refine the administration of the rent assistance program for social security and family tax benefit. Rent assistance assists low-income customers who are renting their homes. Amendments are being made to make sure that rent assistance is paid to a customer only once, not once with a person’s FTB and once with their social security or veterans’ affairs payment. This double payment is at risk of occurring under the current legislation. Also, some clarification is provided that, when a person fails to give information regularly sought by Centrelink to confirm their ongoing rent assistance entitlement, the rent assistance portion of their family tax benefit or social security payment may be cancelled, rather than the whole benefit or payment as currently provided.

In the debate in the last session, the member for Isaacs raised an individual case for comment. However, I make it clear that it is more appropriate for these individual cases to be referred to the minister’s office for advice on the basis of the full circumstances, because too often, as we have seen in this place, information is provided that is not complete, not correct or both. So I would urge the member for Isaacs, in the interests of her constituent, to contact the minister’s office.

The member for Fowler talked about an election year handout of $600, and I want to
make it clear to members opposite that that $600 supplement is paid not just in an election year but in every year. Since coming to office in 1996, this government has increased total family tax benefit payments by $6 billion. In the earlier debate, the member for Mitchell, I think, reminded us that each eligible family now receives an average payment of around $7,500. In all, since coming to office, the government has, as I say, increased total assistance to families by over $6 billion a year, and the base rate of family assistance has increased from less than $600 per child in January 1996 to almost $1,700 per child—a real increase of over 100 per cent—and that is a record we are deservedly proud of.

Question put:

That the words proposed to be omitted (Ms Plibersek’s amendment) stand part of the question.

The House divided. [4.22 pm]

The Deputy Speaker—Mr Jenkins

Ayes.........   83
Noes.........   57
Majority.......  26

AYES
Abbott, AJ  Anderson, JD  Hull, KE
Andrews, KJ  Bailey, FE  Jensen, D
Baird, BG  Baker, M  Keenan, M
Baldwin, RC  Barresi, PA  Kelly, JM
Bartlett, KJ  Billson, BF  Lindsay, PJ
Bishop, BK  Bishop, JI  Macfarlane, IE
Broadbent, R  Brough, MT  May, MA
Cadman, AG  Causley, IR  McGauran, PJ
Ciobo, SM  Cobb, JK  Nairn, GR
Costello, PH  Downer, AJG  Neville, PC
Draper, P  Dutton, PC  Pearce, CJ
Elson, KS  Entsch, WG  Pyne, C
Farmer, PF  Fawcett, D  Robb, A
Ferguson, MD  Forrest, JA *  Schultz, A
Gambare, T  Gash, J  Secker, PD
Georgiou, P  Haase, BW  Smith, ADH
Hardgrave, GD  Hartsuyker, L  Thompson, CP
Henry, S  Hockey, JB  Tollner, DW

NOES
Adams, DGH  Anderson, JD  Hunt, GA
Albanese, AN  Bailey, FE  Johnson, MA
Beazley, KC  Baker, M  Kelly, DM
Bird, S  Barresi, PA  Ley, SP
Burke, AE  Billson, BF  Lloyd, JE
Byrne, AM  Bishop, JI  Markus, L
Crean, SF  Billson, BF  McArthur, S *
Edwards, GJ  Billson, BF  Moylan, JE
Ellis, AL  Billson, BF  Nelson, BJ
Emerson, CA  Brough, MT  Panopoulos, S
Ferguson, MJ  Causley, IR  Prosser, GD
Garrett, P  Causley, IR  Randall, DJ
George, J  Causley, IR  Ruddock, PM
Gillard, JE  Causley, IR  Scott, BC
Griffin, AP  Causley, IR  Slipper, PN
Hatton, MJ  Causley, IR  Sonnenyay, AM
Hoare, KJ  Causley, IR  Stone, SN
Kerr, DJC  Causley, IR  Ticehurst, KV
Livermore, KF  Causley, IR  Truss, WE
McClelland, RB  Causley, IR  Turnbull, M
McGauran, PJ  Causley, IR  Vale, DS
Macklin, JL  Causley, IR  Wakeham, BH
McCullough, RB  Causley, IR  Wellington, AHC
McElhaney, D  Causley, IR  Swing, WE
McMullan, RF  Causley, IR  Whip, W
Memmel, HE  Causley, IR  Whitaker, P
Murphy, JP  Causley, IR  Whyte, S
O’Connor, BM  Causley, IR  Whyte, S
Pell, K  Causley, IR  Whyte, S
Price, LRS  Causley, IR  Whyte, S
Ripoll, BF  Causley, IR  Whyte, S
Sawford, RW  Causley, IR  Whyte, S
Smith, SF  Causley, IR  Whyte, S
Wakelin, BH  Causley, IR  Whyte, S
Wood, J  Causley, IR  Whyte, S
Third Reading

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (4.28 pm)—by leave—I move:

That the bill be now read a third time.

Question agreed to.

Bill read a third time.

SKILLING AUSTRALIA’S WORKFORCE BILL 2005

Cognate bill:

SKILLING AUSTRALIA’S WORKFORCE (REPEAL AND TRANSITIONAL PROVISIONS) BILL 2005

Second Reading

Debate resumed from 11 May, on motion by Mr Hardgrave:

That the bill be now read a second time.

Ms MACKLIN (Jagajaga) (4.29 pm)—The Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 represent some of the most significant changes to the structure of the national vocational education and training system since Labor established the national system over a decade ago. That was a national training system built upon a common understanding that cooperation equalled progress, where the interests of ensuring Australia had the skills base we required so that our economy could grow were put before petty politicking. Unfortunately we now have Commonwealth-state relations reduced to political grandstanding and cheap points scoring by the current federal government. Unconcerned by the outcomes, they are motivated by increasing their control and power but without the troubling by-products of responsibility and accountability. Their attitude is nowhere better typified than in the area of education and training.

The approach of the government in this very important area has bordered on negligence for the bulk of their time in office. They cut away swathes of growth funding for TAFE during their first two budgets and failed to provide any growth funding in six of the last nine years. They were sowing the seeds of today’s skills crisis—a crisis they still cannot acknowledge. When the cacophony of voices crying for increased skills investment reached a crescendo the response of this government was a petulant display with talk of bypassing the states and territories and threats to TAFE funding. We heard the Minister for Vocational and Technical Education carrying on like this just last Friday. Instead of negotiating and discussing with the states and territories, the government are proposing to duplicate world-class infrastructure and programs with their technical colleges. Minister Hardgrave confirmed their skills negligence, with the latest in a long line of head in the sand comments from this government, when he said during his second reading speech on this bill:

... there is limited evidence of economy-wide skills shortages ...

How can the minister stand in this House and make that extraordinary claim when everyone from the Reserve Bank to the OECD is shouting warnings about Australia’s skills crisis? Frankly, it is beyond belief. It should not be surprising then to learn that the content of the two bills before the House today reflect an arrogant and out-of-touch approach—all control and no responsibility.
These bills dismantle the cooperative tripartite national training system established by Labor in 1992 under the auspices of the Australian National Training Authority, or ANTA as it has become known. The Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 abolishes ANTA and repeals the Vocational Education and Training Funding Act. It transfers ANTA’s assets and liabilities to the Commonwealth. These will be vested in the Department of Education, Science and Training.

The companion bill, Skilling Australia’s Workforce Bill 2005, proposes to establish a new system for the provision of Commonwealth funding to vocational education and training in Australia. It is certainly an audacious bill. It proposes an unprecedented level of Commonwealth legislative prescription over vocational education and training funding in this country in an attempt to unilaterally force the Commonwealth’s agenda upon the states and territories, and therefore upon our world-class TAFE system. There are some very troubling conditions detailed in the Skilling Australia’s Workforce Bill which demonstrate why the Commonwealth would be better advised to remove the conditions from the legislation itself and to leave them to the text of any future agreements.

Proposed section 12 contains two provisions that Labor cannot support. The first forces TAFE colleges to offer Australian workplace agreements. Labor believe that the government’s ideological industrial relations crusade has no place in legislation about funding vocational education and training. The second requires governments, both state and Commonwealth, to reduce TAFE funding. At a time of skills crisis it is outrageous that the government would introduce legislation that required a reduction in TAFE funding. We will be moving amendments to delete these proposed sections from the bill. Should both of these amendments be unsuccessful, Labor will oppose this legislation. Labor believe that our national training system should be supported by a strong, independent tripartite body able to provide broadly based advice to the entire sector. Training our current and future workforce should be a partnership between all involved: government, industry and workers. Given that the government is not willing to honour these principles in the new system it proposes, Labor will also oppose the bill which repeals ANTA and its associated national arrangements.

Under current legislative arrangements, vocational education and training funding is lawfully appropriated for the entire 2005 calendar year. I want to emphasise this point because I understand there is a scare campaign being mounted by the government that if we send this legislation off to a Senate committee then we jeopardise VET funding for the rest of the year. Our advice is that the current legislative arrangements guarantee that VET funding is lawfully appropriated for the entire 2005 calendar year. TAFE funding therefore is secure. The massive changes proposed in this legislation should be properly reviewed by this parliament. Commonwealth money for TAFE is available for the rest of the year but will only be passed on if the Commonwealth keeps its word.

The government must honour its commitment—reiterated as recently as the last ministerial council—that, if negotiations were continuing, it would maintain funding to the end of 2005. The minister should remember that commitment, which he gave to state and territory ministers. Given the extensive reach of the new funding conditions, coupled with the lack of promised consultation with the states and territories, we will be seeking a Senate inquiry. These are major funding changes with very significant conditions attached to them. It is only right that we
have the opportunity to look at the impact that these changes may have on the vocational education and training system in Australia.

Before looking at the details of the bills I want to say a few words about the Australian National Training Authority and the national training system it helped bring into existence. On 4 November 1992 the Leader of the Opposition, Kim Beazley, was then the Minister for Employment, Education and Training. He introduced a legislative package to establish ANTA, supported by the Vocational Education and Training Funding Act. These legislative measures gave effect to the groundbreaking agreement between the Commonwealth and the states to establish a new vocational education and training system—a national system with ANTA as its centrepiece. It is worth reflecting on the significance of this agreement and the spirit in which it was negotiated. To quote from the then minister’s second reading speech in 1992:

That agreement was reached after a sustained period of negotiations, during which the needs for a national and properly funded system of vocational education and training were balanced against the constitutional reality that vocational education and training remains primarily a responsibility of the States.

This package of legislation respects that balance. Doesn’t it seem like an absolute eternity ago that we had a Commonwealth government that understood, let alone respected, the constitutional balance? Certainly this government does not. It also seems like an eternity ago that we had a Commonwealth government that could usher in a comprehensive refocusing of the direction of vocational education and training while crossing not only the federal-state divide but also the party political divide. The agreement to establish ANTA was not implemented by surprise on the state governments. Rather, it was negotiated by governments of both political persuasions. The then federal Labor government was able to be in the same room and have constructive multilateral and bilateral dialogue with the then state Liberal governments, including with that of the biggest state, New South Wales, under both premiers Greiner and Fahey. It really does seem like an absolute eternity ago, given the attitude of the current federal government.

To quote again from an age when the Commonwealth acknowledged the need to have the vocational education and training system grow—and actually had an education minister able to deliver the additional funding required—the then minister said the first agreement ‘honours the Commonwealth’s commitment to provide triennial funding for vocational education and training, including a total of $720 million in additional funds over the 1993-95 triennium’. So not only did the 1992 legislation lay the institutional foundations for our national training system; it also funded expansion of the system.

When Labor introduced the first Vocational Education and Training Funding Act back in 1992, there was $720 million in additional growth funding provided by the Commonwealth from 1993 to 1995. If this government’s bill that we are debating here today did what Labor’s legislation did back in 1992, there would be an additional $925 million in additional funding in today’s dollars for VET funding over the next three years. Instead—and I am sure it will come as no surprise to all of those young people trying to get into TAFE or trying to get an apprenticeship—what we have from this government is very little that is new. It is mostly just a reallocation of existing funds. We have a proposal on the table as part of a new Commonwealth-State Training Funding Agreement funded by this legislation that we are debating today. It almost entirely comprises a reallocation of existing funds and
has been unanimously condemned as inadequate by state and territory governments.

So, unlike the 1992 agreement, where we could get agreement between the states and territories across the political divide with growth funding for vocational education and training, this time, with this government, we have a Commonwealth government saying, ‘Take it or leave it—this is what’s on the table.’ And, of course, they are saying that not only to the state and territory governments but also to all the families, all the young people and all the businesses who are being hurt by this government’s damaging skills crisis. It is extraordinary, because this offer also flies in the face of the Productivity Commission’s call for the Howard government to better cooperate with the states on vocational education and training. Of course, the government are ignoring their calls just like they are ignoring the calls of the Reserve Bank of Australia and the OECD to put more investment into this critical area of skills development.

So the differences in the Commonwealth’s approach now and its approach back in 1992 could not be more pronounced. These bills are the result of no negotiations, no consultations, no sharing of responsibilities and no respect for Commonwealth-state balance. Most damning of all, though, given the extraordinary skills crisis this nation is presented with, is the lack of real growth funding. There is no new general funding of TAFE places for all of those Australians who want to develop their skills.

The abolition of the Australian National Training Authority will mark the end of an era. ANTA has earned a very well deserved amount of praise for establishing and maintaining a national system of vocational education and training qualifications and a national system of recognition and credit transfer. This should exist as a worthwhile guide to the often idiosyncratic credit transfer system between, and even within, our universities. So I do want to say thank you to ANTA staff members who have worked hard to create this national system. Staff are now faced with a ‘Canberra or nothing’ offer of continuing employment within the department of education. Thanks must also go to the members of the ANTA board from industry and from the unions who have worked very hard together, cooperatively, to bring about this unified national system—not without their disagreements at times but, nevertheless, with a very clear focus that they had in common.

From 1992, under ANTA board chairs Brian Finn, Stuart Hornery and David Hind, they laid the foundations for a truly national tripartite vocational education and training system. It was only a Labor government which actually had the vision to bring about a revitalisation of vocational education and training in the early 1990s. It was a vision to bring together an assortment of qualifications under a single consistent national framework—so important for Australia’s development—and a commitment to provide the funding necessary to back the vision up and make things happen.

Extraordinarily, it took just a few lines in a prime ministerial press release to undermine and threaten the entire ANTA system. Many in the training sector were taken by surprise by the few short lines buried on page 4 of the Prime Minister’s press release dated 22 October 2004 with the headline ‘Fourth Howard Ministry’. In nothing more than an aside the Prime Minister unilaterally announced the abolition of ANTA. He did not talk to the states and territories. He did not announce it in cooperation with the partners who had entered into the ANTA agreement in the first place. He just announced it unilaterally on page 4 of a prime ministerial press release. By many accounts, apparently
including his own, the minister for education was told, not consulted, about the change. So Dr Nelson, like all of the states and territories, was relegated to the position of a mere bystander—along with his department and everyone else—to one of the biggest changes in the Australian vocational and educational training system in over a decade.

The state and territory governments were not consulted. They were supposedly partners in this cooperative national system, founded on a productive relationship of collaboration that the government has progressively undermined and now all but destroyed. It is worrying—although from this government not surprising—that those who have been so intimately involved in the national training system over the past decade were not consulted about its future. This is symptomatic of the growing arrogance of this government. With impending absolute control, on a whim it will be able to do away with national institutions like ANT A. No doubt what we are debating today is a portent of things to come.

The government’s arrogance is highlighted when we examine the detail of the bills and the funding arrangements for the new national training system it proposes to put in place. The new funding system will be established by the Skilling Australia’s Workforce bills, which contain a level of unprecedented prescription from Canberra over how states and territories should allocate training resources. Extraordinarily, this is not only over the Commonwealth’s share of the funding but also over all of the states’ share of the funding. Despite the fact that over 70 per cent of public VET funding comes from the states and territories and less than 30 per cent comes from the Commonwealth, this government wants 100 per cent control. No doubt the minister for education will continue to accept zero per cent of the responsibility for any problems that arise.

In this legislation the government is appropriating $4.4 billion in general VET funding over the next 3½ years. Interestingly, this is less than the $4.9 billion the government was purporting to offer the states earlier in the year, so when the minister responds I would appreciate it if he would explain that $500 million discrepancy. To this funding the government is attaching a raft of statutory conditions that will impose restrictions on how the VET system would operate. The states and territories are being told by the Commonwealth, ‘If you want our 30 per cent of funding, you must agree to all of our conditions over all of your funding.’ As I understand it, the Commonwealth is refusing to negotiate. The states and territories were promised the opportunity to discuss this legislation before it came into the parliament, but not surprisingly that did not happen.

What sort of negotiation can there be if these conditions are enshrined in legislation that comes into the parliament before any discussion takes place? The previous agreements contained targets, goals and conditions, but they did not require legislative entrenchment to make them effective. We are under no illusion that the government will listen to any sense or reason. It seems to be blinded by an extraordinarily centralist crusade, in a perverse reverence of the Whitlam government.

We were told by the Prime Minister that abolishing ANT A would create budgetary savings. The current budget identifies savings of $12 million over the next four years. But without ANT A there is a gap to fill in national industry led advice to government on training and skills. To plug this gap the government is proposing an Institute for Trade Skills Excellence. The functions of this mysterious institute have not yet been detailed, and we will have more to say about that once we finally know what it looks like. What we do know, from the budget papers, is that it is going to cost twice as much as the
government is saving by abolishing ANTA—$22.9 million over four years; extraordinary.

Before I look at some of the specific conditions proposed in the legislation, I want to reflect that it extends the Commonwealth’s capacity to micromanage the TAFE system and the courses it offers. This will not come as a surprise to anyone in the university system, because they know that is what has already been introduced in universities by legislation passed through this parliament in 2003. The education minister then gave himself unprecedented power to pick and choose what he considers to be courses worthy of funding. It is extraordinary that we have an education minister who knows better than our universities what should be taught to each and every one of our students. It is not only in undergraduate teaching; the minister, Brendan Nelson, also has the power to veto research grants. Using his extraordinary, untold wisdom he has already rejected two Australian Research Council peer reviewed recommendations. Unfortunately, we still cannot get any reasons for him rejecting those recommendations.

Proposed section 7(3) of the Skilling Australia’s Workforce Bill 2005 says:

The Minister must not authorise a payment of financial assistance ... unless the Minister has approved the annual VET plan for the State for the year.

That gives the minister unprecedented control—which is, of course, very true to form for this arrogant government. Part 2, division 2 of the Skilling Australia’s Workforce Bill details the lengths this government wants to go to to prescribe the operations of the VET system and circumscribe the policy-making capacities of state and territory governments. Proposed section 7 stipulates that the Commonwealth minister must not authorise payments of financial assistance unless the conditions are complied with. All of this is, of course, at the complete discretion of the Commonwealth minister.

As I mentioned earlier, section 12 contains two provisions Labor will be seeking to delete from the bill. Section 12(1)(b) requires all of our TAFEs to offer Australian workplace agreements to their staff. Labor strongly believes that the vocational education and training system is no place for the Howard government to be driving its ideological industrial relations agenda in. I will move an amendment to delete this requirement.

There is no question that Australian workplace agreements have been an outright dud in setting employment conditions. The hallmark of their success is that, after nine long years of vigorous advocacy and promotion by the Howard government, AWAs cover just 2.4 per cent of the work force. That is why the government has decided that advocacy and promotion are no longer the way forward: wherever it can, it is going to force AWAs onto those institutions—make them offer AWAs to their workers. The government is proceeding in universities; now, through this legislation, it is trying to impose its industrial relations conditions in our TAFEs. The government has even decided to establish its own system of technical colleges and force the implementation of these industrial relations changes in these new schools. This requirement contravenes the objects of the government’s own Workplace Relations Act. A principal object of that act is:

... ensuring that the primary responsibility for determining matters affecting the relationship between employers and employees rests with the employer and employees at the workplace or enterprise level ...

That is the government’s own law; that is their own principle. They should at least have some respect for their own principles and leave the decision as to whether or not AWAs will be offered to be made by the
people who actually run the TAFEs—who, of course, are not employees of this government.

Of course, the government acknowledge that their blind ideological pursuit of AWAs is somewhat constrained by the Commonwealth Constitution. Some state governments have repeatedly told the government that they are constitutionally precluded from offering AWAs to TAFE employees. This is because in some states, such as Tasmania and Queensland, TAFE employees are part of the state Public Service and therefore ineligible for AWAs under the terms of the Workplace Relations Act. But it would be unlike this government to let reason stand in the way of its ideological crusade on industrial relations.

The second amendment Labor will move concerns words in section 12(1)(f): specifically, I will move to delete the words that would require governments, both state and Commonwealth, to reduce their funding of TAFE. At a time of skills crisis in this country, it is outrageous that the Howard government would introduce legislation that required a reduction in TAFE funding. This government has already slashed the vocational education and training growth funding; it has created an $833 million skills deficit by lagging behind states and territories on vocational education and training funding; and it has turned away 270,000 Australians from TAFE since 1998. Now, in this bill, the government proposes to further reduce funding, and to force the states to do so as well.

Labor supports TAFE institutions developing more entrepreneurial and commercially orientated business plans, but this should not be used as an excuse to cut TAFE funding at a time when Australia is crying out for more skilled workers. The government has belatedly been forced to follow Labor’s lead on this issue, and the minister will be moving amendments to delete these words from the bill. But the words are hardly a drafting error, which is the way the minister tried to explain the situation when he made the amendments public: they are an admission of policy intent.

If both of the amendments that I will move in the consideration-in-detail stage do not succeed, we will strongly oppose this legislation in the House and we will seek a Senate inquiry to look at the details of the legislation and the impact that it will have on our vocational education and training system. If the government perseveres and takes this legislation as it currently exists into the Senate, we will strongly oppose it in the Senate as well.

Mr TUCKY (O’Connor) (4.57 pm)—In attempting to lay the blame for everything that has happened in skills training upon this government, the member for Jagajaga puts a case as to the failure of the fundamentally responsible body—the state government—that wants to defend the rights quite significantly. She also failed to mention to the House that, at a recent COAG meeting, for the first time in the life of the Federation, there was an agreement that we should have some harmonisation in skills training and, more particularly, qualifications, to ensure that modern young Australians gaining a qualification in one state can practise it in another.

Let me add to that that, notwithstanding agreements made, virtually no state will recognise defence department qualifications. I have had cases brought to my attention. One particular person went to the WA authorities and said: ‘Here are my qualifications. Please authenticate them so that I can go up to the north-west, fill the skills vacancy and make good money so I can save for the future.’ They said: ‘You enlisted in Victoria. You’ll have to go over there to get these qualifications ticked.’ When he went over to Victoria,
they said: ‘No, we don’t take any notice of defence qualifications. You’ll have to start an apprenticeship for four years, at 27.’

The member for Jagajaga complains about her perception of bullying. Why couldn’t the state governments have got off their parochial high horse and fixed these problems years ago? Why is it that we have to use the power of the purse, the chequebook, to get some commonsense on the most fundamental of issues? I remember the minister pointing out in this place that a young person trained in hairdressing in Victoria cannot get work in that trade, with that skill, in New South Wales. And what about the nursing profession? Today, people in that profession are educated in universities. In my state, they can give you an injection; the last I heard was that in New South Wales they cannot. These are the sorts of silly, parochial cross-border problems that highly mobile Australians confront today.

The member for Jagajaga is complaining that we the Howard government did not properly consult with the states. They ought to have been ringing us up, saying that it was time we got rid of ANTA, that it does not work. It clearly has not worked. We have had trotted out to us that somehow since the Howard government came in there has been a massive change in the availability of skilled persons. Early in the piece we boasted that we had lifted apprenticeships from 160,000 under Labor to 400,000, but our efforts to generate prosperity within Australia have made 400,000 not enough. To suggest, as the member for Jagajaga did, that there is some relationship between that and union awards in TAFE is drawing a pretty long bow.

It is very obvious that the opposition wants to make something of overseas debt notwithstanding the fact that the issue has no substance, in as much as the servicing cost of Australia’s overseas debt today—not contributed to by the Commonwealth—is at about nine per cent, when under Labor it grew to 20 per cent. I remember reading at the time that when you go over 25 per cent the IMF gives you a call. We would have been one of those nations needing debt forgiveness. Nearly $100 billion of it by any measure was Commonwealth debt.

The Leader of the Opposition in raising this issue infers that all you have to do is fix the skills problem and the foreign debt will go away. That was part of the transcript of his speeches to Labor or to the unions over the weekend. While we need increased skills training and we have jobs to fill, any suggestion that that would reduce our foreign debt when it is a debt contracted through expanding our industries—and we are going to get another $2 billion spent in Western Australia on a new liquefied gas train and some of that will be borrowed overseas but not by the government—is wrong. There is a hidden message in what the Leader of the Opposition is telling us. Notwithstanding that the government has got rid of all the debt and that skills in themselves could never address whatever amount of overseas debt might exist from time to time, it is wink wink, nod nod, you should go and raise interest rates and have the recession we had to have repeated. That is the only serious intervention left to government if he is worried about something that in fact is not a problem. He ought to get clear for this House what he is talking about in that regard. The member for Jagajaga mentioned the Leader of the Opposition’s time as minister for education. I thought he told Australians at the time that was the most boring job he had ever had and he never did anything because nothing was needed. So he was not worried too much about the present skills shortage.

When it comes to these issues the government has made some very sensible provi-
sions. Firstly, something like $4.4 billion will go to the states and territories over the funding period 2005-08. Let me just comment briefly on the so-called amendments to be moved by the member for Jagajaga. She makes the point that the legislation is going to shove AWAs down the throats of state employees. That is not what the legislation says. It says:

... ensuring that TAFE institutions introduce more flexible employment arrangements by offering Australian workplace agreements to staff, except where making such agreements under the Workplace Relations Act 1996 is not possible because of the corporate status of the TAFE institution, in which case other individual agreements should be offered.

The clear description was that this is our ideological bent and you will not get any money if you do not have AWAs. No, you will not get any money if you do not offer them.

AWAs get all sorts of criticism. The member for Jagajaga went so far as to say that they have been an absolute failure based simply on the extent to which they have been taken up. There has been a flood of AWAs from Western Australia. The reason that they were not taken up earlier was that the state legislation was even more flexible until the McGinty-MacTiernan government with their offsider Gallop changed all those laws and made an absolute mess of them. Business just voted with its feet and came over to AWAs, and I think there has been a very substantial increase.

AWAs were implemented in the Pilbara under state legislation, and I read just the other day how the only criticism being levelled up there was that people on AWAs are not talked to by the people who stayed with awards. Every now and then the unions tell us that AWAs rip money off people. Every now and again the unions go into the arbitration commission and say, ‘We want our award workers upgraded to AWA levels under the award.’ Are the unions going in there and saying, ‘We want the same conditions as the AWA blokes get so that our members get less’? It happens. They go in there and they use the AWAs as the standard for changes to the award.

I read the other day of a bulldozer driver in the Pilbara whose wages went up $20,000 a year and he got access to staff superannuation. He said, ‘I’m not going back.’ I know why the boss made a profit on that deal: because there did not have to be two people, fully paid under the award, allocated to the bulldozer. Because there were two jobs at all times for workers, the extra person allocated to the excavator driver and the dragline driver played cards in the shed. Of course, they did not do anything. Then, of course, there was a bit of a problem because the train drivers taking their trains out to the mine site and back—a daytrip in an air-conditioned cab—had to be provided with a crib and that included half a side of lamb. All train drivers are apparently carnivorous—they have to chomp on a raw leg of lamb on the trip out to the mine site.

That was what AWAs did away with. On the one hand, the employee on the bulldozer got a major wage increase and, of course, his skills were upgraded in the process. On the other hand, the second party had to work on another job typically on the mine site. There were not many sackings; they went and did something productive. I have seen that same thing happen on a woodchip stockpile, I think it was near Geelong. The operator could not employ his own bulldozer driver, he had to take one from the port authority and the other one was down in the shed. They showed us the shed. They had to provide a table so that they could play cards. We say that we have a skills shortage and that sort of stupidity contributes to it. That is what AWAs have done. They have not re-
duced people’s wages but at least they have given the employer the right to be competitive in a place where, as we know, it is getting more and more difficult.

The Prime Minister today talked about the unemployment rate in the United Kingdom. He did not tell us what it is across the Channel in France; it is 10 per cent. They legislated a 35-hour week and inspectors went around to see if the lights were still on after five o’clock, to make sure no-one was working. Look at their problems. That is the point I want to make. It is ridiculous to think that we are going to pass two amendments that do not even stack up when you look at them. I think the second one that takes away part of the legislation is quite remarkable because it basically refers to some lines in the legislation which state that all actions should be taken to reduce the cost to government. We are here as the representatives of the taxpayer and the Labor Party say, ‘No, you don’t do that.’ All they want to do is to measure excellence by expenditure; they do not want to say what expenditure is sufficient for the taxpayer to achieve the sorts of outcomes that are required.

This is good legislation. It commits a huge amount of money—and I might add that was one of the member for Jagajaga’s other contributions. She wants to tell us that this government is putting in only 30 per cent of the money and the states are putting in 70 per cent. But half of the 70 per cent comes from here too, from the federal taxpayer. It is now clearly evidenced. I can only quote the figures for Western Australia, and they vary two or three per cent around Australia. On 9 September the Western Australian newspapers referred to the fact that the state Treasurer over there, Mr Ripper—well named for the job—actually discovered that he had $900 million in the bank that he did not know about. They bothered to tell us where the revenues of the state of Western Australia come from. They said $4.12 billion for that year came from their own sources of taxation and $5.68 billion was sent by the Australian government per favour of the Australian taxpayer.

In Western Australia over 50 per cent of their total revenues are provided from the decisions made in this place. We give them a specific grant of 30 per cent—they do the same with education, they only talk about the specific grants—but in fact across the board we give them 50 per cent of everything they spend and that means that the member for Jagajaga is wrong. The Commonwealth contribution to this training process is 30 per cent, if she is correct, in specific grants and another 35 per cent in general-purpose grants. So we are the ones that are putting in the 70 per cent and we should have some say on behalf of the Australian taxpayer. The Labor Party should not be striking out a clause that asks for efficiency.

Above all else for the first time, as agreed at COAG, we are to agree that qualifications will relate to performance not to years. It is the most amazing contradiction that I have ever struck. For decades, the trade union movement, in their awards—particularly in my experience as an employer—insisted on the number of apprentices that could be employed relative to the number of tradesmen. The purpose behind that was that bosses were such nasty people they would fill the workshop with apprentices to save money. It was a basic principle that unions did not like apprentices. I am not sure how many awards you would find where that is still relatively applicable, but I certainly experienced the fact that, when you were trying to give kids some training, the trade union was knocking on your door saying, ‘You’ve got too many; you’ve only got one chef and you can’t employ two apprentices,’ notwithstanding that they joined in different years. All of a sudden the unions say we do not have enough but
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they put their foot down and say apprentices have to hang around on apprentice wages for four years. You wonder why the statistics say apprentices all leave after two years. A mother of such an apprentice recently told me that his boss says he is qualified enough to work not only as a tradesman in his trade but also as a foreman of a gang, yet he has two years to complete his apprenticeship. You wonder why these people disappear out of the system. They get jobs anyway but in hard times they will put in their CV and some employer will say, ‘Oh, he’s not a tradesman.’

It appears that COAG eventually had a flash of inspiration and is going to do something about it. The member for Jagajaga got up here and said there was no collaboration, there was no cooperation and that we just made some announcements—surprise, surprise, there has been an entrenched opposition to all these matters. Of course excellence should be the standard for all TAFE people, not longevity of service or any other measure. She complained and mentioned universities. In my recent reading I see Newcastle, Curtin and Bond universities all saying they have to restrict certain courses. Why? Because nobody is taking them. Bond today announced they are moving IT back into commerce because they are not getting enough students. They are a business and have to break even. Congratulations to the new vice-chancellor at the University of Newcastle. He at least realises how many basket weaving courses they apparently still have. Of course they should not be there at taxpayers’ expense. You provide for the needs of the people and the skills they want to be trained in. I support this legislation. I certainly will not be voting for the opposition amendments. They are silly and they are wrong. I am very pleased to support the legislation.

Mr CREAN (Hotham) (5.15 pm)—Australia faces a skills crisis because of a failure of government policy. The problem is that the Skilling Australia’s Workforce Bill 2005 takes away the life support system that underpinned the development of effective vocational education and training policies in this country and in its place applies a couple of band aids. This is not a crisis that has come upon us recently. It is one that the government has been long warned of and their failure to act means we have failed our youth in this country, we have failed our businesses in this country and most of all we have seen this failure lead to an underperformance by us as a nation.

This, of course, is just one more example of policy failure by this government, which has even acknowledged on certain occasions that it inherited a robust, dynamic and sustainable growth economy. It has allowed itself through complacency to see us underperforming as a nation. It is complacency that has seen a record current account deficit, record foreign debt and the combination of things putting upward pressure on interest rates. What we have is not just the trade crisis that I referred to but now this skills crisis and an infrastructure crisis—all because of the failure of government policy.

I speak in support of the amendments moved by the shadow minister. There are a number of points I want to make in relation to this area. Firstly, skilling a nation does not just empower individuals; it is an essential driver of economic growth. Secondly, equipping a nation with the necessary skills to meet the demands of a modern dynamic economy does require a comprehensive integrated approach throughout the education and training sectors and it needs that across all levels of government, working together but connected to the needs of industry. Thirdly, Australia’s skills crisis has not come out of the blue. The government has known
for a number of years that skills shortages were emerging but it has failed to respond and we are now paying the price: lost opportunity for the individual and lost opportunity for the nation.

The fourth point I want to go to is that the government’s response to this crisis is short sighted. In my view it is doomed to fail. It refuses to recognise the extent of the problem, which was only responded to in a half-baked way because of panic in the lead-up to the last election that they needed to look as though they were doing something in the policy response area.

As for the comprehensive policy approach that is needed, we all know that we are confronted with a rapidly changing global environment. If Australia is to continue to grow and prosper and to be able to sustain that ability we must change as well. The empowerment of individuals must be developed through a policy framework of lifelong education and training initiatives. The driver of sustained economic growth is how well we manage that dimension of the strategy.

Labor have always understood this and when last in government we did make a significant contribution to developing the skills of the country. Under us, we saw school funding increase by 55 per cent in real terms. It was a huge commitment by the then Labor government. We also saw TAFE and other vocational sector funding increase by 56 per cent in real terms, as well as the huge expansion in universities. There was an increase in funding of 60 per cent and an almost 80 per cent increase in the number of university places. None of this came about overnight. We had to plan for it, we had to prepare for it and we had to budget for it.

In contrast—and it is a pity that the member for O’Connor has left; he was telling us how much the government had done—in its first two budgets, and off the back of the trajectory that Labor had put in place, this government slashed $240 million from the vocational education and training sector. That is what the Howard government did in the first two budgets, 1996 and 1997. Following that, we had the 1998 to 2000ANTA agreement which abolished growth funding altogether and froze the funding to the vocational education and training sector for the following three years. How can you expand as a nation, how can you increase the opportunities, if you are not only cutting real growth but also freezing the funding?

When Labor were in office we established ANTA, the Australian National Training Authority. We did that in 1992 to coordinate and drive a national agenda with the states. We did that through cooperation but with an agenda for vocational education. We had a commitment to provide growth funding to the sector on the basis that the states agreed to maintain their funding commitment. We had the leverage to ensure that that funding occurred.

In addition to the establishment of ANTA, in 1994, through the Working Nation program, we focused particularly on re-engaging the long-term unemployed and on lifting the skills level of the nation—particularly the skills of our young people. We used that program as a means to empower not just individuals but regions. Through the structure of area consultative committees, regions were given the opportunity to identify the skill needs of their areas and have the Working Nation programs and the ANTA funding respond positively to those needs.

The Labor government established Netforce, an expert committee comprising eminent business, union and community leaders who understood what industry wanted and needed to address their skill requirements. This was an enabling, empowering, grass-
roots up or community based approach. If I can put it this way: the national programs were actually responding to what regions, local communities and businesses were asking for. The task of Netforce was to expand on accredited training in the non-traditional trade areas. It did not replace the apprenticeship system; it complemented it. The reason was simple: the non-trades area was the fastest growing area of job demand. Labor also introduced the training wage and we developed labour market policies which targeted subsidies, core management and skills accreditation to what individuals, industry and the nation needed.

These initiatives were hugely successful. To give some indication, when Labor gained office in 1983 there were fewer than 35,000 structured training places. By 1996 Labor had almost trebled them: 60,000 apprenticeships and 36,500 traineeships. What did this government do as soon as it got into office? It abolished Netforce immediately, and now it is abolishing ANTA. This is not a government that builds skills; it is a government that deskills. That is why the skills crisis that we are facing is of the government’s making.

It could have been avoided. Again, I go back to the success of the programs that we put in place. In 1995, as Minister for Employment, Education and Training, I released Australia’s Workforce 2005: Jobs for the Future. That report identified the skill needs of our nation 10 years out. It was a road map for our skills needs. It identified the changing nature of our labour force, demographic changes, immigration factors, and industry and occupational needs. That is what Labor did in office. When we were in opposition we actually called upon the government to join us in a bipartisan approach and repeat the exercise—to update it and take it another five years out. In 1999 we called on the government to produce the updated report.

As I was preparing for this speech I was reminded of Greg Wilton. Today is the anniversary of his death five years ago. He was one of those people who understood the significance of this issue and identified with it, and he pushed us to update the program. We called on the government to do it but they refused. In my view, this reflected their short-sighted and narrow nature. They refused to recognise the nature of the problem then—and so what did the Labor Party do? We produced it from opposition. We produced the next stage report, Workforce 2010. It again correctly identified what is apparent now: that the strongest areas of new jobs growth over the next decade will be in a number of key growth areas, particularly in retail trade but also in human services, health, education, welfare, property and business services.

Since 1998 the Howard government has turned away 270,000 people from TAFE and created an $833 million skills deficit by lagging behind the states and territories in investment in vocational education and training. The 2004 skills shortage list includes 42 professions and trades—including those identified by Labor in Workforce 2010—such as nurses, and child- and aged-care workers. The Australian Industry Group has estimated that 175,000 people will leave trades over the next five years, with only 70,000 entering trades. Skills growth, as a driver of productivity, has dropped 75 per cent over 10 years and vacancies for skilled tradespeople have increased by a massive 68 per cent since June 1997—that is according to the skilled vacancies index. All of these shortages were, therefore, foreseeable. A government that was planning for the future of the nation should have been better able to anticipate them, prepare for them and put in place the policies that would have avoided the problem that we are now facing.
The Howard government promised, on its election in 1996, to boost the numbers of apprenticeships. That is what it promised because it was arguing then that we had a problem. Of course, it was ignoring the initiatives that Labor had put in place. What was its solution at the time? Its solution was to roll traineeships and apprenticeships together and call them ‘new apprenticeships’—essentially, to argue that they were getting the numbers up. But despite that fudge it has still fallen well short of the nation’s needs. In doing that the government has failed young people, business and the service providers. It has failed the nation.

Most of the growth in apprenticeships under this government has been in the areas where there are no skill shortages, and the number of people commencing a traditional trade apprenticeship between 2000 and 2003 has actually dropped. During a period of sustained economic growth we saw a drop of that dimension. A staggering 40 per cent of people who start ‘new apprenticeships’—their term—do not complete them. They do not complete their training, at a time when we have severe skills shortages and a desperate need for more skilled workers. You have to do more than simply change the name; you have to have a strategy and you have to put in place the structures that will deliver on that strategy.

When confronted with this skills crisis before the last election, the government announced a couple of initiatives. The big ticket items to tackle the skills crisis emerged essentially in panic from the government. At no stage in the lead-up to the last election did the government say it intended to abolish ANTA, which I have talked of earlier. Its policy announcement was that it would establish 26 technical colleges and, in the process, cut across Australia’s already well-established TAFE and vocational education and training schemes. The problem with the initiative is that it will not be fully in place until 2008 and the first apprentices will not be fully trained until 2010. We are supposed to be dealing with a skills crisis now, but the government’s policy initiatives do not even begin to deliver until five years down the track. And even when they are finally in place the technical colleges will graduate only around 3,600 students each year when the AiG, amongst others, is estimating a skills shortage of 100,000 workers over the next five years. It is a totally inadequate response. Tacked onto the technical colleges announcement in the election campaign was an announcement to give new apprentices a tool kit. At a time when the country is calling out for real solutions, the government scraps one of the success models of the country, sets up a duplicate system and offers a tool kit.

This country needs a far better set of solutions than that, and so we went to the last election promising to build upon the Labor legacy that I have talked of before. We had an approach in the lead-up to the last election that would have seen a billion dollar strategy to boost Australian skill levels and address the skills shortage: 36½ thousand new vocational education and training places each year, a commitment to pay TAFE fees for secondary students to encourage more young people to get a VET qualification while at school, 6½ thousand skill-up apprenticeships through group training organisations in regions of skills shortage, more funding for group training organisations, more opportunities for mature age Australians and an extended youth allowance to new apprenticeships. This approach built on Labor’s $27 million Bright Futures program to help schools raise awareness of post-secondary study options, including the benefits of a career in the traditional trades. So we had a real response to the skills crisis. We have since that time also announced the $2,000 trade completion bonus to encourage Austra-
lians to complete training in skills which are in demand. We have also proposed the creation of 4,000 extra trade training places in our schools each year.

What we are really saying here is that instead of the Howard government importing an extra 178,000 skilled migrants, which has been its effective training policy since 1997—but turning away 270,000 Australians from TAFEs since 1998—it must begin to embrace the sorts of comprehensive policies that Labor announced and went to the last election on and implement them in a way that will see a massive expansion in VET effectiveness and skill formation in this country. Despite all the evidence—despite the acute skill shortages, despite the negative impact that it is having on our export performance and despite the increased costs it is imposing on all Australians—the government pays little more than lip service to responding to the country’s needs. Instead of building skills through a comprehensive package involving all levels of government, industry and education sectors, it is tearing down the very structures that worked so well.

Despite promising prior consultation before determining the new national funding arrangements, the Commonwealth did not consult with state governments over the content of these bills. This is not the way to run skills development, a set of training and education policies for a nation which has continued to grow off the back of the policies put in place by us and will sustain us into the future but which will not sustain us if we are running down the very mechanisms by which we can drive productivity, get skills formation and enhance our productive capacity. You cannot do it on your own. You have to do it in cooperation with the states. This bill does not do it, and it is the failure of policy that will continue to undersell us as a nation. (Time expired)

Mrs VALE (Hughes) (5.36 pm)—I am pleased to welcome this legislation, Skilling Australia’s Workforce Bill 2005 and the accompanying Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005. These bills demonstrate the Howard government’s continued commitment to vocational education and training and provide for clear national goals and objectives. The legislation also sets out the funding and the groundwork for planning and accountability responsibilities. Australia’s sound economic management over the last decade has resulted in sustained growth and has ensured low interest rates. It has overseen the reduction of national debt and a fall in unemployment from 8.7 per cent in 1995 to 5.1 per cent today; the lowest since November 1976. In my electorate of Hughes, the unemployment rate is currently estimated at 2.6 per cent, one of the lowest in Australia.

In the past our vocational education and training system has made an enormous contribution to this economic success. However, Australian business and industry need more highly skilled, productive workers to compete even more successfully in the current global market and especially in the global market of the future. The purpose of this legislation is to implement the government’s new national training arrangements for the period July 2005-December 2008, following the abolition of the Australian National Training Authority and the transfer of its functions and responsibilities to the Department of Education, Science and Training.

Twelve years ago, before the establishment of the Australian National Training Authority, Australia had eight separate training systems in the states and territories operating quite independently of each other. Employers operating across more than one state could not be confident that the quality of their employees’ qualifications was consistent nor that they would have the competencies re-
quired by industry. Today, the foundations of a truly national industry-led system are in place, with training covering most industries and most of the work force. Nationally recognised qualifications are offered by more than 4,000 registered training organisations—all of which are registered in accordance with a national set of standards.

Further, there has been enormous growth in the options within our vocational education and training system. Each year, the publicly funded training system educates more than 1.7 million Australians—an increase of half a million people since 1995. The system has grown in sophistication and prestige, and it is now recognised as a world leader. It is not surprising, therefore, that vocational education and training is increasingly a first choice for many of the 70 per cent of young Australians who do not go directly from school to university.

The progress to date can be seen as a measure of the success of the Australian National Training Authority. However, in meeting the challenges that now confront Australia’s economy and its education and training system, more appropriate governance, accountability and operational arrangements are required. Australia’s economic growth over the past decade has seen a dramatic increase in the demand for skilled workers, and Australian businesses report that their greatest challenge is finding people to take up skilled jobs. Australia’s vocational and technical education system is well equipped to respond to the challenge, but we need to keep focused on training for current and future skill needs and on reinvigorating the leadership role of business and industry.

From 1 July 2005, the responsibilities and functions of the Australian National Training Authority will be transferred to the Department of Education, Science and Training and a new ministerial council on vocational education will be formed to lead the new national training system. This will provide a structure to build on the successes to date and to ensure that the national training system continues to improve—providing the skilled people required by industry to maintain Australia’s strong economic growth.

This government’s goal is to ensure that in the future Australia’s training system will be even more responsive to the ever changing needs of industry. The training system will continue to build its reputation, with young Australians broadening their options and opportunities after school. It will also attract mature age Australians back to study and provide them with specialised skills and pathways to new rewarding careers. To accomplish this goal, the new national training system demands a cooperative and collaborative approach between the Australian government, states, territories, business and industry to deliver nationally recognised qualifications of a consistently high quality.

A key feature of the Skilling Australia’s Workforce Bill 2005 will be the strengthening of the funding framework, which will link funding for the states and territories to a range of conditions and targets for training outcomes. These will move forward the government’s reform agenda and drive quality improvement and increased flexibility in the vocational education and training sector.

This government’s strong commitment to vocational and technical education is illustrated by the significant funding of $4.4 billion provided through this bill and a further $1.4 billion over four years announced last year for an integrated and comprehensive suite of policies to reinforce national building skill needs. This lifts the Australian government’s contribution to vocational and technical education to a record $10.1 billion over the next four years. This funding offer includes an additional $176 million com-
pared to 2004, which the states and territories are required to match. Also as part of the Howard government’s Welfare to Work package, the budget contained an additional $42.8 million to fund a further 12,800 vocational and technical education places for those who are receiving welfare support to help them participate in the work force. This represents an average real annual increase of 4.1 per cent compared to 2004.

These initiatives represent one of the most significant boosts to vocational and technical education ever undertaken by any Australian government. In order to receive financial assistance, states and territories will be required to meet a number of statutory conditions to receive their share of the Australian government’s funding. These include maximising choice for employers and new apprentices to enable them to select the most suitable training provider for their needs; implementing workplace reform in state owned TAFEs, including the introduction of more flexible employment arrangements such as Australian workplace agreements and performance pay so that they are more responsive to local employer and industry needs; removing impediments in state awards and legislation so that training qualifications are automatically based on competence rather than length of time; increasing the utilisation of fully publicly funded training infrastructure by providing third-party access to that infrastructure on a commercial basis; and ensuring that payments received under the act are not used for providing vocational education and training to overseas students nor for private recreational pursuits or hobbies.

The Skilling Australia’s Workforce Bill 2005 and Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 are the result of consultations that were undertaken with all key stakeholders between 21 February and 23 March. Strong support was received for the key directions proposed by the government, particularly for making the training sector more responsive and flexible. These bills give effect to this priority. The states and territories received the funding offer on 30 March and work is under way to develop the multilateral agreement. This process provides considerable opportunity for scrutiny.

Linked with the main bill is the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005. The purpose of this bill is to repeal the Australian National Training Authority Act 1992 and the Vocational Education and Training Funding Act 1992. This will effect the abolition of the Australian National Training Authority and the current funding arrangements for Commonwealth grants to the states and territories for vocational education and training. This bill also provides for the transitional arrangements for the transfer of functions and responsibilities from the Australian National Training Authority to the Department of Education, Science and Training. It has been estimated that savings of $3.096 million can be made through the abolition of the Australian National Training Authority, primarily through the elimination of duplication in management and corporate services. These bills will ensure a smooth transition to the new national training arrangements and will confirm this government’s continuing commitment to vocational and technical education. This is for the advancement of the youth of Australia and for the skilling of our industry.

In conclusion, these bills will strengthen Australia’s economic base through providing a highly skilled work force which will meet the future needs of Australian businesses, industries, communities and individuals. These bills will also promote a national approach to the delivery of vocational education and training through collaboration and
cooperation between the federal government, the states, the territories and industry. These bills support a national training system that is responsive to the needs of industry and employers and in which industry and employers drive the priorities and the policies. Today, with these bills, this government has delivered on those priorities. I commend both these bills to the House.

Mr STEPHEN SMITH (Perth) (5.46 pm)—This evening I would like to speak briefly on the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 in my capacity as shadow minister for industry, infrastructure and industrial relations and to concentrate, in some respects, on the industry and industrial relations aspects of these bills. Firstly, I want to associate myself with the remarks of the Deputy Leader of the Opposition and shadow minister for education, the member for Jagajaga. I make the point that, when we look at Australia’s economy, we see two things which have been the subject of criticism and which the government has effectively ignored. They are the two factors which the Reserve Bank of Australia drew attention to when it increased interest rates by 0.25 basis points in March. The first is pressure on wages and, as a consequence, inflation and interest rates as a result of a skills crisis. The second is capacity constraints as a result of neglect of infrastructure. So the Reserve Bank in March drew attention to pressure on wages and pressure on inflation as a result of a skills crisis.

These bills go to the heart of the government’s neglect of skilling Australia’s workforce during its period in office. We know, for example, that the government cut funding for TAFE during its first two budgets and failed to provide any growth funding in six of the last nine years. That short-sighted funding approach has sown the seed for today’s skills difficulty—not that the government has acknowledged or is acknowledging that in any way. We have seen reference to difficulties in skills from anyone from the OECD to the Reserve Bank, the Minerals Council of Australia, Engineers Australia, the BCA and the Australian Industry Group—a litany of commentary that this is one area where the government has very seriously dropped the ball.

So far as industrial relations aspects of these pieces of legislation are concerned, what the government does, courtesy of these two bills, is effectively tie funding to a raft of statutory conditions that impose restrictions on how the vocational education and training system will operate. The Commonwealth is effectively telling the states and territories, ‘If you want funding, you have to agree to all of the conditions over all of the funding.’ There are two conditions which the Deputy Leader of the Opposition has drawn attention to. The first is forcing the states and requiring the states to implement Australian workplace agreements through TAFE colleges. The second is the quantum of funding. Both those aspects will be the subject of detailed committee stage amendments to be moved by the member for Jagajaga. The one that relates to Australian workplace agreements is the first of those amendments:

Clause 12, page 11 (lines 22-27), omit paragraph 1(b).

It is in the legislation that we find the stringent requirement placed on states and territories to comply with the government’s approach to industrial relations. We have seen, since the government announced the outline or the framework of its industrial relations package, that this is based on an extreme view, a harsh view and a divisive view of Australian society.

Particularly in this context, we often get a lot from the government about flexibility and
choice. I have gone through the materials in respect of these two pieces of legislation, and I cannot quite see the choice in there. Here we have the Commonwealth saying to the states and the territories: ‘What we want to do is force you to take up our approach to industrial relations; otherwise we will not discharge any Commonwealth responsibility with regard to the funding of your TAFE systems at all.’ As I say, the detailed committee stage amendment circulated by the Deputy Leader of the Opposition in respect of proposed section 12 shows that harsh, divisive and ideological approach by the government. The choice which TAFE colleges are deprived of is that it will no longer be up to TAFE colleges, as mature employers, to determine for themselves if they wish to offer Australian workplace agreements, if they wish to offer common-law contracts, if they wish to engage in enterprise bargaining or if they wish to engage in union or non-union collective bargaining. So it is an attempt by the Commonwealth to impose upon states and territories an ideological industrial relations agenda tied to its own purse strings.

It is not as if you would regard Australian workplace agreements as being a fantastic or sensational success, and perhaps that analysis is one of the reasons why the government is going down the road of compulsion. Australian workplace agreements were introduced in the government’s legislation in 1996, so they have effectively been in operation for a nine-year period. Over that period of time we find, in accordance with the latest ABS statistics, that AWAs have been taken up by about 421,000 individual Australian employees. In terms of coverage, that is about 2.4 per cent. Such has been the success of the government’s initiative in this area that, after nine years, 2.4 per cent of Australian workplaces have taken up individual contracts. That compares with about 20 per cent of employees on awards, about 38 per cent on certified agreements, just over 31 per cent on common-law contracts and just under three per cent on unregistered collective agreements or non-union agreements. So AWAs have the smallest component of coverage so far as the workplace is concerned.

Again, when you look at the most recent ABS statistics, if you take the top line figures you could be forgiven for believing that employees on AWAs do okay. But if you take out managerial positions and leave a direct comparison between award entitlements and conditions and certified agreements under enterprise bargains, or even unregistered collective agreements, you will find that when you compare non-managerial staff there is the following break-up of the statistics: employees on AWAs work six per cent more hours, non-managerial workers on AWAs earn two per cent less than those on registered collective agreements, women on AWAs have hourly earnings 11 per cent less than women on registered collective agreements, women on registered collective agreements receive 90 per cent of the hourly pay of men on those agreements and women on AWAs receive 80 per cent of the salary or hourly pay of men on AWAs. So far as casual or part-time workers are concerned, casual workers who are on AWAs are paid 15 per cent less than casual workers on registered collective agreements, and part-time workers on AWAs are paid 25 per cent less than part-time workers on registered collective agreements. Over the period 2002-04, average weekly earnings for employees on AWAs in this category went backwards by $110 or 11 per cent. Over that same period, average weekly wages for workers on collective agreements went up by 6.2 per cent, or $46.

So, when you get below the headline statistics, the analysis is quite compelling. When you compare like with like—AWAs as against registered collective agreements—employees on AWAs work six per cent more
hours and earn two per cent less. Women are particularly badly done by. Their hourly earnings are 11 per cent less on AWAs than on registered collective agreements. Women receive 90 per cent of the hourly pay of men on collective agreements but on AWAs they receive 80 per cent of the hourly pay of men. Casual workers earn 15 per cent less on AWAs than if they were on registered collective agreements and part-time workers earn 25 per cent less than if they were on registered collective agreements. That statistical analysis courtesy of the ABS is damning.

Why would the government proceed on the basis that this is a terrific thing to do so far as vocational educational training policy is concerned? Those figures are reflected in what has occurred in my own state of Western Australia, where you essentially have, courtesy of the Court-Kierath industrial relations changes in the nineties, a similar regime of forcing workers onto individual contracts underpinned by a comparable minimal legislative minimum. Under the Court-Kierath regime, employees in Western Australia suffered significant injustices so far as their salary and conditions were concerned. Fifty-six per cent of all WA workplace agreements were below the award rate of pay. That figure was higher for juniors and casuals. Sixty-seven per cent of Western Australian workplace agreements did not have overtime rates. Introduction of workplace agreements in Western Australia in the state public sector resulted in pay disparity of anywhere up to 30 per cent between like employees. When you join that Western Australian analysis with the ABS analysis, there is only one possible explanation for the government going down this road—that is, in advance of an ideological fervour.

We know the Prime Minister has been waiting 30 years to have a go. Having got the Senate out of the way, he wants to get the Industrial Relations Commission out of the way, and he wants to get the states out of the way, so far as the state industrial system is concerned. He wants to compel the states to go down a road that they would not necessarily choose or that TAFE colleges would not necessarily choose as individual employers.

You can mount a respectable argument that the government forcing employers to offer AWAs contravenes the objects of its own Workplace Relations Act. A principal object of the act is:

... ensuring that the primary responsibility for determining matters affecting the relationship between employers and employees rests with the employer and employees at the workplace or enterprise level.

That is the government’s own statute and, allegedly, its own principle of public policy, but in this legislation, for the sake of compulsion to pursue an extreme ideological approach, it walks away from that.

As I have said, a very respectable question remains to be asked. This government, on an ongoing, daily basis in this place, mantrachants that it is in favour of choice. Yet in this package of legislation we find people being deprived of choice, the states and territories being deprived of choice and individual employers in the guise of TAFE being deprived of choice. Looking at the analysis of the imposition of workplace agreements in Western Australia and the ABS analysis of entitlements, conditions and salaries of people on AWAs compared with collective agreements, you see that there is only one possible explanation for the government going down this road—that is, in advance of an ideological fervour.
proach in these areas, the less they will like it and the more conscious they will become of the imposition and the downward pressure it will place on the living standards of Australian working families.

We find that the government, having been sprung by the Reserve Bank for having neglected this area—that neglect being half the reason for the Reserve Bank increasing interest rates in March, with the other half being the government’s neglect of infrastructure—is not worried about trying to rectify or remedy the skills crisis in this country but instead is using its capacity to effectively blackmail the states and territories as a backdoor means of imposing upon them and our national TAFE system individual employment contracts. We know from the general industrial relations changes that the government proposes that individual workplace agreements will be subject to a much lower no disadvantage test and will be subject to a smaller number of allowable matters. In the end this will have one outcome only—a reduction in the living standards of Australian employees.

Mr BALDWIN (Paterson) (6.02 pm)—I rise today to speak on the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005. The Australian National Training Authority was established in 1992 to coordinate levels of government in establishing a national vocational education and training system. By all measures, it did a good job. On 22 October 2004, the Prime Minister announced the abolition of ANTA and the transfer of ANTA’s functions to the Department of Education, Science and Training from July 2005. That is the reason we are debating these bills today.

We might ask ourselves: why the need for change? Since 1992, there has been a lot of change. There has been a lot of change in industry and in the technology used in industry, there have been changes in skill requirements and there have been changes in the demographics. We need a more flexible training regime that is able to respond quickly to industry’s needs. As much as it hurts me to say this, it is not government that creates jobs; the actual employers create jobs—something that Labor has never been able to understand. We can create the framework and a secure financial environment so that people feel confident to invest in, expand and grow their work force, but we need employers to create jobs and to take people on.

In this country we have seen the economy and the demand for Australian product grow, but our skills training has not kept up with the demand. In my area, the electorate of Paterson, Forgac shipbuilding secured some very good contracts. Because of the time frame of those contracts, after experiencing an inability to attract locally skilled boilermakers, it was necessary to resort to importing people from overseas to fill that gap. I am the parent of young boys, one of whom is looking to go into an apprenticeship—and he is doing so gladly. He will be one of the 70 per cent of young people who, upon leaving school, do not go on to university. Mr Deputy Speaker, having a trade background is something to be very proud of. I am a skilled fitter/toolmaker; that is my base trade. I left school when I was 15, after year 10, and I have enjoyed my trade immensely. Not everyone can go to university, nor can they access a trade.

In my electorate of Paterson in 1996, there were around 750 people involved in trade training; I am glad to say that today we have 2,480. That is an increase of 231 per cent. By any measure, that is spectacular growth. But that is not enough to address the needs of industry. If industry cannot satisfy its skill requirements, then it is obvious that either
those opportunities will go to migrants coming to Australia and bringing those skill sets or—I hate to admit it—industries will go offshore and do the work there, where they can get people with the skills to do it.

We need to maintain the focus. Who is the focus here? Is it the likes of the trade union movement? Is it the likes of the politicians who make the decisions? No. The focus here is the young people that we want to provide the skills training to, to get them into jobs where they can utilise those skills they have been trained in and earn good money for doing so. Our focus also has to be the industry that has the demand for those skills and creates the jobs in the community. When I listen to the Labor Party, I keep hearing the same old mantra-chant: ‘But this is the way we have always done it.’ As I have said, times have changed since 1992. Today, in 2005, the training dynamics are totally different.

One of the other issues that affects our people who go into trade or skills development is the issue of borders. To give you a classic example, someone as simple as a hairdresser, with those skill sets, cannot work in Victoria without sitting local exams if they hold training qualifications from New South Wales. Quite a number of trades are affected in this way. People may say: ‘You’re located in the middle of New South Wales. How does that affect you?’ Mr Deputy Speaker Lindsay, like you I have a military base in my electorate. We have a high level of transitional people coming and going on postings. At times their partners are vocationally trained with skills in areas such as hairdressing. If they have been trained in Victoria, in order for them to be able to work in my area around Williamstown or Newcastle they need to submit to more exams. The idea of borders should be between one nation and another. At a time when we are looking at free trade agreements, it is crazy that the borders between our states mean that people cannot move their job skills from one state to another. We need portability. This affects trades more than it affects the professionals—the doctors, the lawyers and the like. We need to see that addressed.

The other thing that we will see through this legislation is an investment in the youth of this nation. We will see an investment of approximately $4.4 billion as our government’s contribution to the states and territories for vocational and technical education from July 2005 to December 2008. This is on top of the $577 million already paid to the states and territories for the first six months of 2005. That will take the total funding for the quadrennium to $4.9 billion. Also included in that is an additional $175 million in funding compared to 2004, which represents a real annual increase of 3.2 per cent in that year.

I have said that there is a skills crisis in this country. It is good to see that that has occurred, because it has meant that businesses and opportunities have grown in this nation along with opportunities for young people. The main areas where there are shortages in my electorate, which are addressed by the introduction of the new technical skills colleges program this government is embarking on, are the areas of hairdressing; metal trades, particularly fitting; boiler-making, as I have stated before; engineering; electrical engineering; and hospitality. We have a huge amount of employment in tourism in our area—in fact, 7.1 per cent of the workforce in Paterson is engaged in the tourism and hospitality industry. We have a shortage of chefs, which needs to be addressed. You cannot train those people in five minutes—there is a long time frame—but you have to provide them with the opportunity to get training. That training needs to be flexible. It needs to work in with the employer, the employee and the training provider. Having a flexible arrangement means
that we can achieve a little more and get more people into the work force.

I also note that one of the big issues in discussions with one of the leading electrical contract development groups in my area, Ampcontrol, is the fact that training providers these days find it very hard to afford the latest technology that our young people, and not so young people, need to be trained on. What is the point of having a machine that may be worth half-a-million or $1 million in a TAFE environment when it could actually be in the workplace? Training providers can access that sort of machinery or technology—the latest state-of-the-art technology—to develop and enhance the skills of the people they are training so that they can carry those skills sets forward.

I also have a couple of outstanding training companies in my area: the Hunter Valley Training Company and the Hunter Valley group apprenticeship scheme. These are highly recommended people. The apprentices and the trainees that they turn out of these facilities are world-class trade skills holders, and in fact win many of the awards with their skills sets.

As I said earlier, we have had a lot of discussion with industry. We need to work hand in hand with industry to develop the opportunities. We must address the needs that are being raised by industry and the needs of our young people to be able to access the training. If the Labor opposition were serious about this, as we are, they would be committed to developing a skilled nation. We need to move with the times, we need to move with technology, we need to move with what industry wants and, in particular, we need to move with the requirements of our young people, who are searching out the opportunities to develop their skills and to apply them to industry so that they can set themselves up for the future.

As I said when I started this speech, this is not about politics and this is not about governments; this is about young people pursuing opportunities through the development of their skills and it is about industry, the very people who employ apprentices and trainees in their industries to develop those skills. I say to the opposition: ‘Let’s work together, let’s develop a skilled nation and let’s embrace the change that is required in today’s times.’

Ms BIRD (Cunningham) (6.12 pm)—I assure the member for Paterson that, while I agreed with a great deal of the general commentary in his speech that was about supporting efforts to get young people into the skilled work force, I entirely disagree with his statement that this has nothing to do with politics or government. I think these bills have everything to do with politics and government.

The Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 seek to make what are in effect the most sweeping changes to the vocational education sector in over a decade. The Skilling Australia’s Workforce Bill establishes a whole new system for Commonwealth funding of vocational education and training. It will be tied to statutory conditions including provision of AWAs and increased flexibility and competition for TAFE. The Skilling Australia’s Workforce (Repeal and Transitional Arrangements) Bill repeals both the Australian National Training Authority Act 1992 and the Vocational Education and Training Funding Act 1992 and addresses the transitional arrangements that arise from ANTA’s abolition.

The changes that flow from these two bills will significantly alter the face of vocational training in this country. In his second reading speech the minister outlined his govern-
ment’s reasons for such a wholesale restructuring of the federal government’s funding arrangements for this sector. The minister claimed that these changes will provide ‘the nation-building skilled people required by industry and business in the short term and beyond’.

The minister’s argument rests on the claim that nationally we have reached a point where further improvements to the sector and its ability to address the national skills shortages being experienced in some of our traditional trade sectors cannot be addressed because of the ‘union sponsored failure of policies of the state and territory governments standing in the way of progress’. I suggest to the House that this statement by the minister is the key giveaway to the real agenda of these bills. It is why I made the comment to the member for Paterson that I believe these bills are all about politics and government and have little to do with solving the problem.

For many years, Labor has been warning of the impact of this government’s under-funding of the public TAFE sector and its refusal to seriously address the skills shortages that would develop as a result of the failure to more extensively support trade apprenticeships. Not surprisingly, now that industry is identifying the problem, the government is responding. These bills, and the minister’s varied comments on the skills issue, reflect this government’s commitment to driving the training agenda to respond almost solely to the demands of industry. I remind the government that these are the very same industry players who have shirked their own responsibilities to forward plan by not continuing their own programs of apprenticeship employment and training. Given their short-sightedness in looking after their own long-term work force needs, it is not surprising that many of us are particularly sceptical about handing over the long-term planning for vocational and technical training completely to their agenda. It is, of course, critically important that industry has input into the national training agenda—indeed, it has done so for a very long time.

Having worked for many years in the New South Wales TAFE system, I am acutely aware of the efforts that local TAFE management make in order to get feedback from local industry and to plan to meet its future needs. The reality, however, is that industry’s immediate needs and the long-term nation building needs are not always one and the same. Industry, when not experiencing shortages of skilled labour, did little or nothing to invest in their future work force needs. In areas such as mine, hundreds of young people would leave school in the seventies and eighties to take up trade apprenticeships in the steel and mining industries. Then, during the period of the late eighties and nineties, when those industries restructured and decreased their work forces, one of the first roles they walked away from was providing training for the next generation of skilled tradespeople. We are now seeing the results of those decisions. When young people discovered that these options were not available to them as a career, not surprisingly, they looked to other sectors and industries for employment.

The dilemma that this has caused is now acute in many industries. The reality is that many of these employers, even if they wanted to employ more apprentices, are caught in the bind that their existing tradespeople are so fully employed now doing their job, doing overtime and additional shifts to provide the required number of tradespeople for a shift, that they do not have the time to supervise the training of apprentices. I am outlining this history to indicate why I am sceptical about giving too much power to industry in driving the national agenda on such important issues. To be frank, they do
not have a particularly good historical record in planning for such long-term matters.

The other point I make, in a similar vein, is that for decades Australia has enjoyed an
enviable world reputation in trade training. Young people with a trade would be snapped
up in other countries because of the Australian trade training and its reputation. This
was because we offered training that provided both depth and breadth in creating tradespeople. Our tradespeople actually knew their trades. In many countries trade training had become so specialised that people could only do one segment of the job and were unable to effectively troubleshoot and problem solve across a variety of tasks. Australian tradespeople were trained so broadly in their field that they could undertake such tasks and were highly valued in the international market. My serious concern is that the government is taking in these two bills, and particularly in the Skilling Australia’s Workforce Bill 2005, will put the final nail in the coffin of our world-class trade training system and, in another 10 years, we will be trying to fix the problem that our new generation of tradespeople are so narrowly trained that they have become insufficient for the needs of industry and unable to move between industries.

The other point I make on this issue is that the people who undertake trade training
should also be seen as equal partners in the national debate on trade training. The people
who train in trades want to know that the training they receive is not only of high quality but also portable so that they have the ability to move not just between states—as the minister constantly comments on—but also between employers and industries. The member for Paterson talked about the issue of technology in particular workplaces, how complex it has become and how people need to be trained on the machinery for the particular work force. The danger, the other side, of that is that they become so specifically trained that they do not have portable skills. One of the best ways to ensure their ability to transfer their skills between industry and employers is to respect the views of the profession on what constitutes quality training. The government is ignoring the fact that an important part of the role of the trades based unions has been, for over 100 years, to provide the perspective of the trade professionals on the viability of their vocation and the best methods of providing relevant training to ensure this outcome.

For six years I worked at Wollongong TAFE and for several of those I was the
elected union representative for the college. This brought me into regular contact with my
colleagues in trade based schools. I developed a great appreciation for their dedication to their vocation and their pride in their technical expertise and the quality of their work, both in the trade they practised and in the standard of training they provided to their students.

It is a cultural aspect of the trades that people take pride in their skills and in their ability to pass those skills on to the next generation, whether this takes place in formal training institutions or in the workplace. These students went out and worked in industries—small, medium and large—in their local communities. They were seen to reflect on the reputation of their trainer and of TAFE. The perspective of trades teachers and workplace tradespeople, including through their representative bodies such as trade unions, provides an important focus for the development of national training policies and programs.

The government likes to present the trade union movement as selfishly interested only in protecting the interests of its members—a perfectly legitimate role, I would have thought. The government, however, equates
this as being, without exception and on all occasions, contrary to the national interest. This is simply not so. While I have expressed reservations about the total reliance on the ability of business to be the sole driver of vocational and trade training, it is equally true that we should not rely solely on trade unions and trade trainer bodies. I have, however, argued that industry is a major consumer of the training product and has the right to be involved. Equally this applies to trade unions, trade trainers and the trainees themselves. However, these bills and all the comments of the minister deny that there is any value in the input of these individuals and organisations.

The Skilling Australia’s Workforce Bill 2005 makes no effort to hide its real agenda, which is not an educational one but an industrial relations one. It is another example of the federal government using its funding powers to drive its industrial changes. The government’s priority is to dismantle balances in the industrial relations system that have ensured that workers have been able to secure fair recompense and reasonable working environments. The federal government now attatches industrial requirements to infrastructure funding and educational funding to states as a regular attachment. It is more concerned with seeing its industrial relations agenda being put in place than it is with seeing the success of the particular program. Clearly it seeks to lay blame for the significant infrastructure and skills challenges facing this nation on states and unions.

In his second reading speech the minister was quite clear that the purpose of this bill was to force changes to the nature of employment of TAFE teachers and to the nature of employment under state awards that regulate trade training. The only example the minister puts forward—and I notice other speakers have repeated this—for justifying such a radical shake-up of a world-recognised, quality TAFE system that is copied in other parts of the world is that some tradespeople, such as hairdressers, cannot cross state borders and work in their trade. I have to admit that I am pretty sceptical about the extent of this problem, as I personally know many tradespeople, such as riggers, fitters, joiners and carpenters, who regularly work across state boundaries with no hindrance at all. In fact many companies in my area and in others that I have visited have complained about poaching by companies in other states. So it is obviously not a major hindrance to them. However, if there are particular areas where there are problems, there is no reason that they cannot be resolved through negotiation and discussion, as we saw come out of the recent COAG meeting.

It is quite obvious that the purpose of these bills is to extend into the TAFE system the ideological changes that the government has been pursuing in the university sector. One of the great challenges facing our university sector has been the government’s program of pushing universities to have greater reliance on entrepreneurial and commercial funding and then undercutting the value of this by decreasing government funding. The original version of this bill included in proposed section 12 a statement that TAFEs would be required to develop commercial business plans that would enable government funding to be reduced. Labor proposed an amendment to this bill to remove these words. We have no problem with the principle of TAFEs undertaking entrepreneurial and commercial activity—indeed, they have done so for at least the last 15 years that I know of—but we vigorously object to the reduction in public funding being a result of that activity. It is therefore most interesting that the minister, on 24 May, issued his own amendment withdrawing that particular requirement. It is also interesting to note that when the minister delivered his second read-
ing speech to this House on 11 May he made no reference to, nor gave any explanation of, this section of the bill. There was no justification of its role or purpose in achieving the claimed objectives of the bill. One can only conclude that it was a rather cynical attempt to slip this component of the changes through and that when it was highlighted by Labor the minister felt the potential backlash made it unsustainable.

It is important to increase funding to the TAFE system to improve access for potential trade apprentices to the high-quality training TAFE provides. However, TAFE colleges provide far more than trade training. I have often talked about the critical role that TAFE fulfils in providing second-chance educational opportunities for many people in our communities—young people who have dropped out of school and then realise the importance of higher qualifications, women who have been out of the work force for extended periods of time and mature age workers who have been restructured out of their employment. Most of these people ease themselves back into the classroom through a range of courses offered by TAFE that are not focused on a specific vocation. Often on completing this training they have developed a clear idea of what new employment area they are interested in and have greater confidence in their ability to undertake such training. This is a critical role provided by our public TAFEs that would not be supported by funding focused solely through commercial or entrepreneurial activity. It is an area that would be under threat with diminishing government funding and a sector driven solely by industry priorities. I am, consequently, pleased that the minister has decided to amend the bill to remove this statement, but I remain suspicious that it reflected an agenda that has not gone away. I am sure we will have to remain vigilant to ensure it does not appear in other guises on future occasions.

The other amendment that Labor proposes, which remains on the table, is to delete references to section 12(B) of the act, which goes to the provision of Australian workplace agreements and/or individual contracts as conditions of funding. This proposal in the bill is purely, simply and only about pursuing the government’s industrial relations agenda, specifically the obsession with attacking the public sector work force—particularly, in this case, in the education sector. These proposals exactly mirror the recent moves the government has made in the university sector.

This government is more than happy to bask in the benefits the education sector brings to this country. Our university and TAFE sectors have international reputations for excellence, and their contribution to our trade position through overseas students and the export of educational product is an invaluable contribution to our economic prosperity. These achievements belong as much to the teachers and administrators who work in both sectors as they belong to governments of any level or any party. Indeed, on 18 May—only a few weeks ago—the minister wrote a press release congratulating the five winners of overseas scholarships awarded to young new apprentice graduates at the Australian Overseas Foundation award night. I am very proud to point out to the minister that two of the five award winners are graduates of my old TAFE at Wollongong. The significant success of students from Wollongong TAFE does not surprise me at all, as I personally know the dedication and professionalism of the staff at the TAFE. I know it has created and sustained a reputation for training excellence within our local community.
The first winner was Peter Buckley, employed by Nepean Engineering, who completed his fitting and machining apprenticeship at Wollongong TAFE in 2001 and won a silver medal at the WorldSkills competition in Switzerland. The second winner was Andrew Vine, employed by Elchaars Accident Repairs as a panel beater. Andrew completed his apprenticeship at Wollongong TAFE in 2003 and won first place in the 2004 National WorldSkills competition. I know that head teacher Lindsay Phillips and the teachers from the section would take great pride in the achievements of Peter and Andrew. Lindsay and the team have always taken pride in their work and in their students, as I well remember when I worked with them. The teachers of that section are also strong supporters of the local union branch, which I greatly appreciated when I was their elected representative.

Wollongong TAFE maintains a strong and enviable reputation in our local community for the quality of its teachers and the students it produces. The college also has a strong alliance with the TAFE Teachers Federation, and I am always pleased to attend the college to support the efforts of Rob Long and the local branch of the union, as well as the student organisation TAG. Despite the minister’s rhetoric, the truth is that strong union links, quality training and dedicated teachers are often seen together. These attributes reflect professional commitment, a community focus that is expressed through a belief in collective action, and the role that unions have in supporting quality outcomes in the education sector.

In this bill, the minister is attempting to force TAFE colleges to a completely deregulated employment base—to undermine the value that has been achieved by collective support in a working environment where teachers seek to share what they have and share their knowledge, resources and skills—and into a system that rewards only individual performance, where that sort of effort would be discouraged. I do not believe it would be a better outcome for the national training agenda. (Time expired)

Mr BAKER (Braddon) (6.33 pm)—I support the Skilling Australia’s Workforce Bill 2005 and cognate bill and encourage all members to provide their support. The Minister for Vocational and Technical Education, in introducing these bills, spoke of the Australian government’s commitment to addressing areas of skill needs as a prerequisite to keeping Australia’s economic growth strong.

It must be noted that before the establishment of the Australian National Training Authority in 1992 Australia had eight separate training systems operating independently of each other. The content and delivery of training was largely determined by the training providers. With changing commerce and industry needs, a more consistent and national unified approach is now required. It must also be noted that the achievements of the Australian National Training Authority include the establishment of national training packages covering most industries and more than 80 per cent of the work force; the offering of recognised qualifications by more than 4,000 registered training organisations; the implementation of New Apprenticeships and the Australian quality training framework; the facilitation of recognition of prior learning; and the expansion of vocational education training in schools. All these achievements have led to a sound and established base on which to build a new national training delivery system.

With globalisation and the changing needs of industry and education, more appropriate governance, training delivery, accountability, evaluation methods and associated processes are required. Hence there is a need for a truly national vocational education and training
system. National collaboration and industry engagement will lead to the success of Australia’s new training system. It can be argued that these elements provide the foundation of the three proposed components of the new training system—that is, business and industry leadership and engagement at all levels of training; the national governance and accountability framework; and the national skills framework.

The national governance and accountability framework establishes decision-making processes and bodies responsible for training, as well as planning, performance and evaluation arrangements to guide the operation, development and growth of the training system. The national skills framework sets out the system requirements for quality, content and national consistency in terms of qualifications and training delivery. The governance and accountability framework will include the legislation, funding arrangements and key decision-making processes in relation to leadership, policy, planning and the monitoring of training in Australia. The framework will ensure that the training sector performs to the highest possible level and responds to the needs of government, industry, the individual and communities. A focus on performance, governance and accountability is paramount. Good governance is the key to a high-quality and responsive national training system. Well-governed organisations that are focused on their central purpose have a good understanding of the success they are aiming for and have clearly defined roles, responsibilities and powers.

The challenges that face Australian industries today are vastly different from those of 1992, when the Australian National Training Authority was first established. Thus there is a need for change. For example, in 1992 Australia had an unemployment rate of about 10 per cent. But, as a result of the Australian government’s resolute economic management since 1996, unemployment has now fallen to 5.1 per cent, the lowest in 29 years. Record low interest rates and a positive economic climate, where real wages have grown over 12 per cent in the last 8½ years compared with less than two per cent under the previous Labor government, have resulted in skill shortages in our industries. Therefore, the most significant challenge to Australian businesses’ ongoing economic growth and development will be the need for more skilled workers to meet a growing demand. By abolishing the Australian National Training Authority and transferring its functions to the Department of Education, Science and Training, the Australian government is strengthening its leadership role in determining the overall direction and strategies to develop a skilled Australian workforce.

These bills will drive genuine reform by requiring states and territories to increase the flexibility and responsiveness of the sector so that industry advice on upcoming skills needs and the resulting training priorities can be quickly addressed. One way in which this will be achieved will be by removing impediments to state awards so that training qualifications are based on competence rather than length of time. The legislation also requires states to take action to maximise choice for employers and new apprentices so that they can choose the most relevant, flexible and convenient training for their particular needs.

Maximising Australia’s skills base is a high priority for industry, particularly in the traditional trades like engineering, electro-technology, building and construction, as well as in emerging technologies such as photonics and nanotechnology. Skills needs exist at most stages of the business cycle in skilled occupations, and they are also a sign of a thriving and open economy. Skill gaps arise, for example, in the new innovative industries and in sectors of more traditional
industries that are changing rapidly to meet new consumer and technological demands and to develop new products and services in a highly competitive, international market.

Through these bills, the Australian government is demonstrating its commitment to high-quality, nationally consistent education and training and its commitment to working closely with industry to find solutions. As part of this commitment, the government announced new measures last year to a total value of some $1.4 billion over four years, aimed at addressing skills needs, particularly in the trades.

Working closely with industry, education providers and local communities, the Australian government has now begun implementing these initiatives. They include establishing 24 Australian technical colleges in regions experiencing skills needs and high rates of unemployment; and offering Commonwealth trade learning scholarships, providing tool kits and extending youth allowance to new apprentices, which will provide greater financial assistance for new apprentices in trades experiencing skills needs. The initiatives also include creating the Institute for Trade Skills Excellence to identify best practice in trade skill tuition and promote the value of choosing a trade or vocational education; expanding the highly successful school based New Apprenticeship program into the trades; and creating a further 4,500 prevocational training places, giving young and mature aged people preliminary training in a skilled area, making them work-ready to enter a new apprenticeship in the trades.

The Howard government’s commitment to vocational and technical education is illustrated by the significant funding of $4.4 billion provided through this legislation, and the additional $1.4 billion over four years announced last year, for an integrated and comprehensive suite of new policies to reinforce nation-building skills needs. These initiatives represent one of the most significant boosts to vocational and technical education ever undertaken by any government. They lift the Australian government’s contribution to a record $10.1 billion over the next four years.

Ongoing savings of $3.096 million per year will be realised from 2006-07 through the abolition of the Australian National Training Authority. This amounts to approximately 25 per cent of the annual Australian National Training Authority appropriation of $12 million. These savings will be achieved primarily through the elimination of duplication in management and corporate support services, which will account for a saving of $2.646 million, and minor administrative savings of some $450,000.

Today around 12 per cent of Australia’s working age population is undertaking vocational and technical education in the publicly funded training system. These bills are the most significant legislation for the vocational and technical education sector for the past decade. They will establish the new national training system and will provide the Australian government funding required to support Australia’s world-class training system in 2005 and beyond.

Since coming to power, this government has reinvigorated the vocational and technical education system. The total numbers undertaking vocational and technical education have grown from 1.27 million in 1995 to 1.72 million in 2003, an increase of 35 per cent. The numbers in new apprenticeships have grown to around 393,800 in training—in more than 500 different occupations, including emerging technologies such as electrotechnology—which compares with 143,700 in 1995. The numbers in Vocational Education and Training in Schools programs have grown to around 202,900 students, with
approximately 44 per cent of senior secondary students participating. This represents a massive 116 per cent increase in numbers since 1997 and reflects the huge success of the Vocational Education and Training in Schools programs, now available in more than 95 per cent of Australian secondary schools.

Twenty-six per cent of all young Australians aged 15 to 19 participate in vocational and technical education. Thirty per cent of vocational and technical education clients are aged 40 or over. Thirty-nine per cent of vocational and technical education clients are now in rural and regional Australia. And, since 1996, the number of women in training has grown by 34 per cent to 834,400, with women accounting for 49 per cent of vocational and technical education clients. Last year saw 135,700 new apprenticeship completions, which was an increase of some 11 per cent from the previous year.

These are outstanding results and reflect the sound economic management of the Howard government over the past 8½ years. It is imperative that these bills move Australia’s technical and vocational education forward. Therefore, I commend these bills to the House.

Mrs IRWIN (Fowler) (6.43 pm)—The Skilling Australia’s Workforce Bill 2005 is another nail in the coffin of what was once one of our proudest institutions. Few nations have had the advantage of having such a well-resourced system of technical education and training as Australia’s. While at times we may think of Australia as the lucky country, we as a nation have made most of our own luck. If you go back a century ago, two countries led the world in their standard of living: Australia and Argentina. While we may complain that we have slipped down that table to some extent, we are well in front of Argentina.

There are many reasons for those differences. One major factor that can never be ignored is that Australia’s state governments took the lead in developing the skills of our work force. While other countries have imported their skilled work force, Australia has been able to grow its own. These home-grown skills have been the backbone of Australia’s industrial and commercial development. Our skills base has not come about by accident or by a stroke of luck; it has been achieved by the planning and dedication of generations of visionary Australians who have guided the development of our education and training institutions for over a century.

In the case of New South Wales this began with the establishment of technical colleges in the 1890s. It is interesting to note in the light of this legislation why state governments stepped into the field of technical education. Those first colleges took over the role of the mechanics institutes, which had provided limited training in areas such as technical drawing. Apprenticeship training was totally on-the-job training, but special skills such as technical drawing could not be learned on the job and it was not always possible for a trade apprentice to gain all the necessary skills from one master. So the greater proportion of skills training was taken over by technical colleges. An added benefit of college based training was that new technology could be introduced and each apprentice could be exposed to the full range of methods and techniques.

From boilermakers to pastrycooks, Australia produced generations of competent tradespeople of a standard equal to that of anywhere in the world. Many of those highly trained people went on to start and build their own businesses or take on high-level management positions. Their trade training provided them with the foundation on which they developed their business skills. But
technical colleges did not limit themselves to trade training. Even greater numbers of Australians learned accounting and business administration skills at our public and private colleges. One thing that seems to have escaped the government’s thinking on this issue is that the great majority of those who built our skills base through access to our technical and business colleges did it on their own time. It was not until the 1950s that daytime training of apprentices became the rule. And for well past that time students and trainees took themselves off to colleges for two or three nights a week to develop their skills. Many still do that today.

The structure and face of training today has changed a great deal. The increased role of the Commonwealth has had some positive effects—and national standards were well overdue—but the effect in some states has been to bring high standards down to the much lower levels of other states. While states such as New South Wales maintained high standards in their level of resources and facilities and in the training and accreditation of staff and while other states starting from a lower base have improved their systems to a degree, it remains fair to say that overall the standards in our training systems have fallen. That brings me to one of the requirements set out in this bill. Proposed section 13 of the bill calls for the complete implementation of competency based training. This will require the amendment of state legislation and awards to bring them into line with a competency based approach rather than a time based approach. This will result in major changes to the traditional apprenticeship system.

I can appreciate that the rigid application of apprenticeship training times can be a factor in deterring older people from undertaking a trade. While there is some element of allowing for increased maturity on the part of apprentices, we really need to question any supposed benefit in reducing the length of trade courses—and, for that matter, the concept of competency based training. The idea that competency based training includes something that does not happen in time based courses does not always prove to be the case. A good example of competency based training would be a motor vehicle drivers licence test. A lot of people are critical of these tests because they do not test the driver in a full range of situations—for example, emergency situations which may occur. We should also remember that in recent years states have changed driver testing to include the requirement for learners to complete logbooks to show the number of hours of driving practice they have had. Despite these changes there are often calls to improve driver training and testing. I should also add that over recent years we have seen an increase in the length of time required for the holding of provisional licences.

We should not see competency based training as the best or only option for many types of training. It does have its place but—and we should not forget this—true competency based training can extend the time taken to complete a qualification. We now have a situation where 40 per cent of apprentices do not complete their trade training. There are many reasons for this, but we should not assume that competency based training will shorten the time necessary to complete training or that it is a better program for the individual trainee. Another aspect of competency based training that should be considered is the cost. When talking about trades it is easy to forget that there are many small, specialised trades and that there may be as little as one class for each such trade in each state. Even trades with greater demand can have small classes when spread over a large state. Competency based training assumes that each learner proceeds at their own pace, but this can be quite im-
practical in smaller classes. For this and other reasons, competency based training can be more expensive than time based training.

One other reason that is totally overlooked is that trade training is more than just collecting a few skills; it represents an achievement worth recognising. The present Minister for Education, Science and Training is fond of saying that more young people should consider learning a trade rather than going on to university. There was a time when it was considered good advice for young people to get a trade, as they used to say, but in those days a trade was a rite of passage. A 15-year-old first-year apprentice would mature into a responsible 21-year-old adult journeyman, ready to face the world.

Two years ago I was in Zurich when I was passed on the street by two strangely dressed young men. They wore top hats and dress coats and carried small sacks. When I asked them what they were doing, they explained that they were journeymen carpenters and that to complete their trade training they had to leave their master and their home town to go out into the world to become master tradesmen. It may seem old fashioned and a waste of time, but if we are to give skilled trades their proper place in our society then we cannot pass off the respect that once existed for having the skill of a trade.

It is all very well for the Prime Minister to talk about overalls and navy blue singlets, but it is something else to give proper recognition to the skills of our tradespeople, and watering down the content of trade courses does nothing to achieve that. Introducing mickey mouse trades in hamburger flipping does nothing to enhance the status of skilled trades. Competency based training has its place, but it is only when you see skills training in a very narrow sense that you insist on competency based training being the only model.

As I mentioned, many trades have small numbers of practitioners and the demand for courses in such trades is spread widely over the country, so it is surprising that this bill calls for an expansion of user-choice policy without allowing for difficulties that may be faced by some states and regions. State TAFE systems have undergone radical rationalisation over the past decade, and that has often meant that courses are available in only one centre in each region. The expansion of the user-choice policy in this bill will lead in many cases to the costly duplication of courses, making it harder for centres to meet the national unit price bands which are also part of the deal. The only outcome from this policy will be a race to the bottom in standards and facilities. The losers will be not only those young people who look to those centres for training but, in the long term, industry and our economy, as skills training becomes less and less accessible.

Three weeks ago the *Wall Street Journal* lamented the shortage of skilled workers in the United States. The article stated: ‘While skills strapped companies often blame schools for not providing proper skills, some executives say outsourcing jobs abroad and eliminating training programs to cut costs made the problem worse.’ And yet this bill is trying to bring to Australia a US-style skills training system. It is a system that has failed in the United States of America, but it is to become the model that we are to adopt here in Australia.

But behind all this is what comes down to a lack of respect for working Australians and a lack of respect for those with skills, and it has been that way on the conservative side of politics for more than a century. It was not by accident that the first trade unions in Australia were craft unions. They were able to represent the skilled trades in industrial disputes and they were resented for their bargaining power, so it became the goal of em-
ployers to break the bargaining power of the skilled trades. The way that was done was by reducing the level of regard that skilled trades were given. Today we are paying a price for that in skills shortages throughout many industries.

But what is the government’s response to those shortages? It seeks to make up for its failure to ensure our supply of skilled workers by increasing levels of skilled immigration. Instead of growing our own, we are importing skilled workers. Instead of providing training opportunities for young Australians, we are attempting to buy skilled workers on the world market. That is the stage we have reached through the savage cuts already made to TAFE funding in Australia. These measures will, as I say, be another nail in the coffin of our once proud TAFE colleges.

Related to that is the government’s requirement for Australian workplace agreements and other individual contracts to become the standard in TAFE, and this is part of the same process. Instead of recognising the value of our teachers in our colleges, this government is doing everything it can to reduce the status of teachers. We saw what happened in TAFE in Victoria when the Kennett government slashed the TAFE system there. We saw wages reduced and we saw qualified and skilled teachers driven out of the system. This is not the way to attract and train the best teachers for the colleges which will provide our skills training. We will pay a high price in future years for this government’s short-sighted policy.

Some other measures in this legislation are also of concern to me. Proposed section 19 prohibits the payments being used to provide education or training for private recreational pursuits or hobbies. The minister likes to poke fun at these courses, referring to yoga classes and the like. There have already been big reductions in these types of courses in state systems. The days are long gone when every country town had an active fashion class. There was some criticism of the ladies of the town spending two nights a week creating their latest wardrobe with the benefit of the college sewing machines and the expert assistance of a qualified teacher. In locking out the fashion ladies and those who took the class in French cookery, we might have given TAFE a strictly vocational outlook but at the same time we overlooked what we were doing with these courses: we were building the overall skills base of the community. I know a gentleman who did a French cookery course a decade ago, and he is now running a bed and breakfast. The link between skills and employment is not always as direct as an apprenticeship implies.

A generation ago when tertiary education, including TAFE training, was made free of charge the thinking was that everyone was entitled to tertiary education. It was not the exclusive preserve of the academically minded or those already in a line of employment. One of the biggest reasons students give for undertaking training is that they want to change their job; they are looking for something different. But under this bill they will be locked out. Training is for industry only, not for individuals. At a time when many people are looking to retire from the full-time work force, there are fewer opportunities to build on the skills that can provide them with the opportunity to contribute to the economy through their hobby or other interest.

We are locking many people out of useful and rewarding employment. We say that skills training should be subsidised but only for those courses that industry thinks are useful. I can think of one former member of this House—and it is not the former member for Fowler—who some years ago, before retiring, undertook a short course at TAFE in small farm management. He now success-
fully breeds goats on his small property. I would not describe it as a great commercial venture but it is productive and it keeps him occupied. I know that he learned a lot in his TAFE course and he found much of what he learned very useful.

As the Treasurer keeps urging older people to keep working, he should not forget that many older people would much prefer to work in an area that interests them. At their stage of life they do not want to work for a boss anymore and they often have interests or hobbies that they would like to continue, but this minister wants to lock them out of the system. Unfortunately, that may mean locking them out of making a positive contribution to the economy in their retirement. We once had a fine and effective system of skills training in Australia. It served us well in the past. But this government is trying to destroy that. (Time expired)

Miss Jackie KellY (Lindsay) (7.04 pm)—In speaking on the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005, I would like to acknowledge the tremendous commitment this government has to vocational and technical education. For all the history that was outlined by the member for Fowler, the ALP does not have the currency to deliver up-to-date reforms to keep our skills on top of the world or relevant to today’s workplaces and employment opportunities. Whilst this country, in a bipartisan manner, must encourage intellectual and academic research, we also must meet a growing skills shortage in the trades that is brought about by a five per cent unemployment rate. We have skilled and unskilled shortages. In the 12 months to September 2004 a record 135,700 new apprentices completed their courses—but that is not enough. We must reinvigorate the trade training sector. Our society cannot function in the way that we want it to without the builders, the mechanics, the electricians and the plumbers to build our houses, to fix our modern cars, to install our modern electrical appliances and to keep our modern pipes operating.

The member for Fowler talked about building a skills base when the ALP were in power. Their skills base was 10 per cent unemployment. Dare I say it, but the minister is absolutely right when the member for Fowler defends a goat-farming course at TAFE. This legislation provides the reform we need to reshape the future of trades training. Nobody would deny that we need thousands of new skilled tradespeople in every city and town in Australia and that vocational education and training provides for over 70 per cent of young people who do not go to university.

Drive through Kingswood in the electorate of Lindsay and you will see hundreds of small businesses specialising in trades. These are panel beaters, electricians, plumbers, car detailers and auto-electricians and people working in airconditioning and building. These businesses cannot get enough apprentices, and so the government is being proactive in doing what it can to encourage kids to go into the trades, to encourage businesses to take on apprentices and to make trades as sought after as university degrees.

In Sydney 20 per cent of the population is aged under 15. In my electorate of Lindsay in Penrith 24 per cent, or 42,000 young people, fall into this age group. Our youthful population combined with the large amount of small trade businesses makes this legislation very important to my electorate. As the minister said when he spoke on this legislation, this government is targeting apprenticeship incentives at employers who make a commitment to high-level training—employers such as Hix Electrical in the seat of Lindsay. The Hix company, who deliver electrical services right across Sydney, take
on and train many apprentices every year, giving back to the community where they have established a very successful business. The government is also targeting apprenticeships at mature aged Australians so that they can have a future in a new career if they have lost their job in an area that has become redundant or is no longer required or if they return to work after a long break.

The member for Fowler’s solution to this is to extend the number of years it takes to do a trade. Basically, it is a matter of ‘Let’s keep on doing all the old trades the way that we’ve always done them.’ The marketplace has reformed; the skills base and the types of work that people are doing have vastly changed from the era she is talking about. If the member for Fowler had her way, what would happen when a young person compared the cost and time of doing a university degree, especially after New South Wales increased the cost of some TAFE courses by 100, 200 or 300 per cent?

The member for Fowler can yearn for the days of Zurich and her many travels abroad from the electorate in Western Sydney where she met all these journeymen, but at the end of the day I bring her back to an employer in my electorate who employs welders and is quite disappointed. Some of the people that he is taking on from TAFE can do a beautiful weld—a perfect, copybook weld—but he needs a whole lot more welds an hour than those people are capable of delivering. He needs a tradesperson who can work in the modern workplace in a relevant manner.

The bills will enable the government to start to directly address some of the problems like those that Hix Electrical have been talking to me about. Many of my local small businesses have been telling me that they are unhappy with the way that TAFE runs its courses, particularly in relation to apprenticeships. The member for Fowler touched on this but did not seem to quite get to the kernel of the issue. In the first term of a course, one apprentice may have their classes on a Monday, another on a Tuesday, another on a Wednesday, another on a Thursday and another on a Friday. The company has its apprentices all set up with regular hours so that it is covered across the board for its personnel for each day of the week. When the next term comes, TAFE has changed the times for the release of those apprentices. Suddenly all five appies have to be out on a Monday. That throws that small business into complete disarray. There is no consultation with the employers; there is total disregard for their workplace set-up. This is being done to accommodate TAFE employees—lecturers for whom it is convenient to say: ‘I have another commitment on a Thursday. Can I now do it on a Monday?’ This means a total alteration of the schedules and shifts within a business to cope with the whims of a training institution. Timetabling is just one of the practical problems employers face when they take on apprentices.

That is not to say that TAFE is all bad: it does have a sound curriculum, it offers some practical courses and it has many excellent teachers. But TAFE can be improved. The government must make TAFE more flexible, because TAFE provides up to 85 per cent of all training. TAFE must be given more flexibility, and this means the introduction of Australian workplace agreements to give TAFE directors the opportunity to respond quickly to market shifts and employment needs.

The member for Cunningham saw this as an attack on the ALP and unions. That gives an indication of the ideas—or the vacuum of ideas—on the other side with respect to reform and new approaches in the workplace. The ALP is full of great ideas, isn’t it? All these young people go there with great ideas, and there they stay, wallowing on opposition
benches. On this side, we have the energy, the verve and the ideas to get out there, implement change and bring our Australian workplaces up to speed with those of the rest of the world.

The legislation will give the Commonwealth more influence over vocational education and training than it has had in the past. This will enable the government to have a more direct impact on Australia’s international competitiveness and on youth unemployment by tying funding to conditions and training outcomes to improve the performance of the trade training sector.

This government has the support of the business and training sector for these changes. Consultation was undertaken with key stakeholders for four weeks during February and March this year. The feedback was that stakeholders wanted the changes proposed by the government to make the training sector more responsive and flexible.

When TAFE fees went up in New South Wales, the number of people attending TAFE courses fell away. The first people to go—the first people laid off at TAFEs—were the casual staff. The casual staff at TAFE are generally casual because they are working in the industry for their day jobs. That means that they have current and relevant workplace experience. They are the first to go. Current trainers with relevant experience in industry are the first to go, because of the inflexibility of a TAFE system that puts a priority on time served by lecturers who have spent an enormous amount of time doing a degree but who have seen substantial changes from when they were last employed in a workplace, affecting their awareness of how speedy or technical people need to be or what particular skills are demanded in the current workplace.

Under the legislation there will be bilateral agreements that set targets, national priorities and performance levels. These agreements will be negotiated between the federal government and each state or territory government. Each agreement can be unique. That is necessary because the needs of the Northern Territory, for example, can be different from those of New South Wales in some trades. This can ensure local diversity and also meet regional needs. But the agreement can also be in a national standard that will allow a New South Wales trained plumber to work in Queensland. The ALP see this as an attack on unions. For me, that is further proof of their inability to come up with any new ideas or reform in order to keep the Australian workforce internationally competitive and up there with the best.

I am confident that the agreements negotiated with the states will represent the best interests of the community and the nation. The government will drive genuine reform by requiring states and territories to increase the flexibility and responsiveness of the sector, including by maximising choice for employers and new apprentices, to enable them to select the most suitable training provider for their needs; implementing workplace reform in TAFE, including through more flexible employment arrangements such as AWAs and performance pay, so that TAFE is more responsive to local employer and industry needs; removing impediments in state awards so that training qualifications are based on competence rather than on length of time; increasing the utilisation of publicly funded training infrastructure, by providing third-party access to that infrastructure on a commercial basis; and ensuring that payments received under the act are not used for providing vocational education and training to overseas students or for private recreational pursuits or hobbies for retiring goat farmers.

Under the bills the Australian National Training Authority will be disbanded, and its
functions and responsibilities will go to the Department of Education, Science and Training. ANTA has been successful, but it was established more than 10 years ago when the economic conditions were very different—a la 10 per cent unemployment. With unemployment hovering around five per cent, there is more demand for skilled workers than ever, and we need a new training system to meet that demand. I think it is entirely appropriate that the minister and his department take responsibility. It is a great thing that the minister is actually now more accountable for the performances in this area. Gone are the Labor days when you could insulate your minister from any criticism in the media—you could also insulate them from any real power. Full credit has to go to our minister, as an elected representative, for taking on the responsibility, having the courage to take on a possible mea culpa down the track and having the courage to take action as it is required rather than refer it to a committee, another training authority or ‘someone else but me’. In this instance the minister is responsible enough, brave enough and courageous enough to take this on himself. All credit to him because he is a very successful, competent and reforming minister.

The bills will provide an extra $175 million, which we are asking the states and territories to match, to provide funding for up to 116,000 new training places over the next three years. This will provide a very real and needed injection of students into apprenticeship schemes. We expect that the vast majority of these students will then move into jobs in the trades sector and help plug the gap in trades that this government has identified and that is affecting our lives in very real ways—like when we cannot get a builder for 12 months or a plumber for six weeks. It is certainly working with training providers to make sure that the courses they deliver are flexible, responsive to employer needs and producing the skills that we need today, not what we needed a decade ago.

The states and territories will receive $4.5 billion for vocational and technical education until December 2008. This will be a real average increase of 3.2 per cent per year. This government is committed to investing in the trade sector and meeting the skills shortage. That is why the government will fund, to the value of $65 million, 24 technical colleges throughout Australia, including one in Western Sydney. I hope that these pilot colleges will be successful and that we will eventually see our one in Western Sydney for 300 students expand to 1,500 students and probably another two or three technical colleges in Western Sydney, producing a skilled work force for the Australian future.

We are ensuring that apprentices have the resources they need to do their apprenticeships by spending $28 million to provide a tool kit for each new apprentice in specific trades, to make extra payments to bring their income level up to that of a uni student and to establish the Institute for Trade Skills Excellence to promote and benchmark excellence in trades skills development and training. We are also looking into the all-too-common problem of the poaching of trained apprentices from companies who have invested effort and time into 25 per cent or more of the training of new apprentices.

These bills reinforce this government’s commitment to trades and trade training and will reform the training sector to better meet the needs of the country’s trade shortages as well as to listen to the needs of employers who create trade jobs. As a result, TAFE will become more flexible and responsive to industry and national demand. As the minister has said, it will take Australia’s system into a new era.

Ms LIVERMORE (Capricornia) (7.18 pm)—The title of these bills is another one
of the government’s classic misnomers: ‘skilling Australia’s work force’. There is nothing in the Skilling Australia’s Workforce Bill 2005 or the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 that shows that the government is serious about addressing the skills shortage that continues to grow and threaten Australia’s economic performance, putting pressure on inflation and interest rates. In technical terms the purpose of these bills is to provide for a new funding framework for the provision of grants to the states and territories for vocational education and training. It comes about following the government’s out-of-the-blue announcement just after the last election that it would abolish the Australian National Training Authority. We on this side of the House oppose that initiative and these bills, and we do so for a number of very good reasons. The fact is that these bills are nothing but a grab for power by the Minister for Vocational and Technical Education which undoes years of cooperation in the vocational education and training sector between the Commonwealth and state governments.

First of all, the Howard government froze funding to ANT A. Then it unilaterally abolished it without consultation with the states. Now, with this legislation, it seems that the federal government is more intent on picking political fights over industrial relations than ensuring that this country has the VET system it needs to meet the nation’s demand for skilled workers. You would think, when the OECD and the Reserve Bank are telling us that we need urgent action on the skills shortage, that the Howard government could put politics to one side and work with the states to resolve the crisis. But instead of a single-minded focus on vocational education and training this government is insisting on building the new system around its industrial relations agenda by making vocational education and training funding to the states conditional on TAFE colleges introducing AWAs. I have to ask the minister: instead of using VET funding to bully the states over industrial relations, how about using VET funding to improve the skills of the Australian work force?

This legislation should not be considered in isolation from the government’s serial neglect of vocational education and training in this country. We should remember that it was the former Labor government that led the way in setting up the Australian National Training Authority in 1992 to establish a national cooperative system of training management. Unlike this government, the Keating government recognised the need for a skilled work force to underpin Australia’s growth and prosperity and took its responsibilities for training seriously. Instead of picking fights with the states and finding ways to shift blame and costs on to the states, the Labor government of that time worked with them.

The first ANTA agreement reflected that cooperative approach, providing for the Commonwealth to contribute $720 million over three years, with growth funds of $7 million annually on the condition that the states agree to maintain their levels of funding to this important sector. As we all know, however, in 1996 the Howard government took the axe to training, and we are seeing in today’s skills shortage the results of its failure to invest in training. The Howard government abolished the growth funding that was central to the original ANTA agreement and reduced expenditure further by imposing efficiency dividends and requirements for the states to achieve growth through efficiencies. By 2004 the cooperative approach and genuine commitment by the Commonwealth to bear its share of responsibility for training that underpinned the ANTA agreement lay in tatters thanks to this government’s complacency and short-sighted penny pinching. So,
when it comes to answers for the nation’s skills shortage, you have to look at what this Howard government does and not listen to what it says.

Since taking office, the Howard government has reduced real funding to this vital area of vocational education and training. It has ignored the states for years, even when it was the state governments who were constantly drawing the government’s attention to the demand for training places and were calling for adequate money from the Commonwealth to meet that demand and avoid a skills shortage. Now, just when the skills crisis it has created demands the complete focus and cooperation of all governments, the Howard government, with its usual arrogance, has acted unilaterally to abolish ANTA and, without consulting the states, is seeking to impose this new system.

ANTA has been the honest broker, with the states and all stakeholders in the VET sector having confidence in it to allocate VET funding according to the national interest. This government needs to realise that it must have the cooperation of the states in order to have any chance at making any real difference to the national skills shortage crisis. Instead, it seems that the Howard government wants to go it alone in designing and administering the training system, but its past failures and neglect of training and vocational education show that it is not up to it.

We see the results of this government’s neglect and lack of interest in training in my electorate. I wish to take this opportunity to give the House a couple of examples of how the people of Capricornia have been badly let down by this government’s failures in the area of training. I am sure that all members of the House would be aware of the boom in the mining industry, particularly the coalmining industry, affecting areas in my electorate of Capricornia. That boom is very welcome, but one of the problems it creates for small business in regional cities is that it is very hard to find skilled labour.

This is true also for the trade of motor mechanics. At present, motor mechanics are in great demand in Central Queensland. To try to overcome this problem, a local garage proprietor engaged in his business a mature-aged apprentice. In August 2004, the employee made an application to Trade Recognition Australia for an Australian-recognised trade certificate. The employee sent off his application and included the $300 fee. On 13 October, some two months later, the employee again wrote to the Trades Recognition Council and asked for a progress report on his application. On 7 January 2005—this is some five months after submitting his application—a telephone interview was conducted by someone from the Trades Recognition Council in Brisbane. On 19 March 2005, the employee received a letter saying that he had to sit an examination in Brisbane within 28 days—and Brisbane, of course, is 750 kilometres south of Rockhampton.

The employer then wrote to the department, explaining that the employee was unable to make it to Brisbane and asked whether some alternative arrangement could be made for the taking of that exam. To date, the employer has not received a reply to his request. In April this year, the employer rang the department’s Brisbane office to be told, ‘Can’t you read English? The 28 days has expired.’ The phone was then hung up.

This is a case of a man wanting to work in regional Australia, wanting to gain recognised skills to secure his family’s future and
wanting to work with his employer to provide a service to his community but being hung up on by this government’s Department of Employment and Workplace Relations. Today I have written to the Minister for Employment and Workplace Relations on behalf of my constituent who is seeking a trade certificate. I am also writing on behalf of his employer, the small business man who is doing what he can to help develop this nation’s skills base—and doing it, it seems, despite the best efforts of this government to stop him.

If we assume that the department’s employee in Brisbane is right when he says he is ‘overworked’, then we must ask what the pieces of legislation before the House do to change that. Can the minister explain exactly how picking fights with the states and meddling in the internal human resource management of TAFE colleges will address the skills shortage and remove the impediments to small business people that I have just described? Sadly, the answer is nothing. Nothing the government is proposing here will change the situation for the department’s employee in Brisbane or the small business man in Rockhampton. As for the employee—the man in Rockhampton who just wants to have his skills recognised—as far as the Howard government is concerned, he can just go and join the other people in Rockhampton whom this government has failed to skill up for work, even though it knew the opportunities for work were there. I am talking about those who see their jobs being taken by foreign workers because this government has failed to skill Australians up to take advantage of my region’s growth industries.

The unemployment rate in Rockhampton is running at eight per cent, compared with the national average of just over five per cent. That eight per cent equates to 2,539 people in Rockhampton who would like to find a job. In February this year, I placed on the Notice Paper a question to the Minister for Immigration and Multicultural and Indigenous Affairs asking, amongst other things:

How many visas had been issued at the request of Tey Bros meatworks in Rockhampton.

The minister’s response advised that, as at 1 March, a total of 81 visas had been issued. Of these, 80 had a skills classification of slaughterperson and one had a skills classification of butcher. The minister also advised:

No independent examination of the labour market in Rockhampton was conducted, however, the Department had regard to a submission provided by the company detailing attempts to recruit locally in Rockhampton and difficulties experienced in securing suitably qualified people.

The words ‘suitably qualified people’ go exactly to the point I am making. The company says that it could not find 81 skilled Australians amongst the 2,539 unemployed people in Rockhampton and had to import skilled labour to work in their meatworks. It is not my intention today to question the company on its reasoning, but it is my intention to highlight the role that the Howard government has played in ensuring that not one of those 2,539 unemployed Rockhampton workers was skilled enough to take any of the 81 positions that have gone to foreign workers in our city.

On 17 March this year, the Brisbane Courier Mail published a story in which it mentioned my saying that the government had been aware of these problems since at least 1999. The Courier Mail also spoke to the Minister for Vocational and Technical Education, Gary Hardgrave, who said, ‘Ms Livermore’s claim that the government was given a proposal for a meat training plant in Rockhampton was wrong; there is no evidence of that having happened.’
I believe that the 2,539 unemployed people in Rockhampton deserve to know the truth of this matter. I want the people of Capricornia to understand that this Howard government cannot be trusted, has not delivered on training in the past and that there is nothing in this present bill to give any confidence that it will deliver in the future.

On 30 April 1999, the company operating the Lakes Creek Meat Works in Rockhampton wrote to the local development organisation. The first paragraph of the letter states:

We refer to our earlier discussions regarding the concept of constructing a dedicated facility for the ongoing formal training and assessment of Trainee Slaughterpersons, Boners, Slicers and Packers on site at our Lakes Creek meatworks.

A number of meetings followed from that letter and on 18 August the company again wrote to the local development organisation. The third paragraph of the letter states:

A cornerstone of this is well trained operators. Training facilities are negligible and it is imperative for the success of the expansion plans and future effective, internationally competitive, performance of this company that it has a well trained workforce.

Enclosed with the letter was a proposed plan of the training facility. In January 2000, a meeting was held in Rockhampton with the Deputy Prime Minister, John Anderson. On 31 January 2000, the Deputy Prime Minister wrote:

I have written to the Minister for Employment, the Hon Tony Abbott MP, seeking to have my letter of support attached to the proposal. ... I have written to the Minister for Employment, Workplace Relations and Small Business, the Hon Peter Reith MP, drawing his attention to the proposal and the need for the establishment of a Training Abattoir in Rockhampton.

On 8 February 2000, the company wrote to the Deputy Prime Minister about the matter and on 1 March the company wrote to the Hon. Peter Reith; in fact, a local group flew to Hervey Bay in March 2000 to meet with Minister Reith to lobby for the training facility. I have copies of correspondence from not only the Deputy Prime Minister but also the then Minister for Employment, Workplace Relations and Small Business, the Hon. Peter Reith, the then Minister for Education, Training and Youth Affairs, the Hon. Dr David Kemp, and the then Minister for Regional Services, Territories and Local Government, Senator the Hon. Ian Macdonald. All of this correspondence from 1999 to 2000 refers to the then obvious need for a meat industry training facility to be established in Rockhampton.

For the current vocational and education minister, Gary Hardgrave, to suggest that this government was unaware of this training proposal is simply not true. But what is even more important and distressing about all this is the simple fact that even with the written support, at the time, of the Deputy Prime Minister and other ministers, this training proposal did not get up. As a direct consequence of this government’s failure to work with our local community to enhance employment opportunities, 2,539 Australians have been overlooked for a job and the work has now gone to 81 overseas workers who have been imported mainly from Brazil. This government was advised six years ago that shortages of skilled meat workers would affect the future of this industry. A locally initiated solution was given to it. This government failed to provide the training and now there are people in Rockhampton who are unemployed as a direct result of that indifference.

I have demonstrated today, by these examples, that this government has an appalling record on skills training. It might be said that it can talk the talk, but when it comes to delivering on skills training it cannot walk the walk. It seems the only people walking are the 2,539 unemployed people in Rock-
hampton who would have dearly loved a job at our Lakes Creek Meat Works but find themselves not skilled for these positions. Based on that, there is no reason for me to have confidence in the government’s new proposals for this training scheme to replace the system funded through ANTA.

I raised those examples to provide the context in which we are debating this bill. The government is talking about scrapping the training system that has been in place since the Labor government introduced it in 1992. The government has a record of not properly funding the training system in Australia, and the skills shortage that we see now is a direct consequence of that neglect and indifference for training. The result is the kinds of skills shortages that have been identified, by the Reserve Bank in particular, as creating capacity constraints in our economy and threatening higher inflation and interest rates. The government’s answer to this, over the last couple of years, has been simply to look to skilled migrants as an answer. As has been demonstrated in my local area, that displaces local people who, with the proper training and appropriate support, could be filling these positions.

In Rockhampton, the unemployment rate is some eight per cent, which is three per cent higher than the national average. For the government to sit back and say that it has been doing all it could to skill up local people and to fill the positions that are in desperate need of filling, in both the mining and the meat processing industries, is just another example of this government’s total complacency and neglect of regional Australia. Nowhere is that more clearly apparent than in this skills area.

This bill focuses on the government’s ideological obsession with the industrial relations agenda rather than addressing the skills shortage in Australia. Nothing in this bill will help the people of Rockhampton who need the skills to take up the opportunities that exist in our local economy.

Mr HARTSUYKER (Cowper) (7.36 pm)—If you go back 20 years, a view prevailed that somehow a trade qualification was of less value than a university degree, that a trade qualification was something that you only did when you could not get into university. How wrong that view was. I regularly attend TAFE graduations in my electorate. It is certainly an uplifting experience to see the sense of achievement for the young people—and the not so young people—assembled there, as they receive their qualifications and acknowledgement for the hard work that they have put into their own training and the great effort that they have put in to get a much needed TAFE qualification.

Neil Black, the director of the North Coast Institute of TAFE, refers often on such occasions to the room that the function is being held in. He acknowledges the fact that without trades skills there would not be any windows in the building—there would be no floor, no roof and no walls. It is an important point. Trade skills play a vital part in everyday life. Trade skills are involved in the design and construction of the furniture that we sit on, the floor coverings and the curtains. Virtually every aspect of our day-to-day lives is influenced by people who possess trades skills—the electricians, the plumbers, the boilermakers, the chefs. Wherever we go, there are trades skills enhancing the quality of our lives and advancing our economy.

The members opposite always seem to refer to this notion of a skills crisis. Indeed, when they were in government there was never a shortage of skills or labour, be it skilled or unskilled. With one million people out of work there was never going to be a shortage of labour in virtually any class. The members opposite dealt with the problems of
unemployment through make-work programs and placing people on the DSP to hide the magnitude of their economic mismanagement. They had people out there painting rocks white, building pine log fences—you name it; a whole raft of enterprises that were not related to economic prosperity. This government believes that a more flexible work force is a more productive work force. This government believes that a highly skilled work force is a more productive work force. This government is committed to work force reform. This government is committed to trade skills.

We believe that skills and trade training are the very foundation stones of our economy. Trade training is certainly not producing the number of graduates we need at the moment. If we look around we see that, as a product of our booming economy and strong employment growth, there is strong demand for all classes of labour, particularly skilled labour and trade skills. The bills that we have before the House are part of this government’s response to enabling us to meet the challenge of the need that this economy is generating for those trade skills. The government has introduced a range of interim measures such as increasing the level of skilled migration. But with a view to a long-term solution to the economy, and with a view to a long-term solution for our trade skills needs, through these bills we are reviewing the way in which we meet the challenge of trade skills.

We had the organisation already in place, ANTA, which was set up some 12 years ago. It is time to take a new look at that, time to refresh that. When ANTA was set up there was an unemployment rate of some 10 per cent. That has been almost halved across the country. But we still need to cope with advances in technology, with a need for sophisticated skills and with the fact that many people are changing careers several times. There is a need for retraining, to direct people to where the shortages in our labour market are and to train them so that they can meet the challenges of those labour markets. These bills provide for a coordinated and modernised approach to Australia’s skills needs to ensure that we have the level of skills that we need to meet the challenges of Australia in the 21st century.

The Skilling Australia’s Workforce Bill 2005 will be the vehicle for the government’s new national training arrangements for the period from July 2005 to 31 December 2008 following the abolition of ANTA and the transfer of its functions to the Department of Education, Science and Training. The new training system will build on the achievements of ANTA and the training sector in establishing the foundations of an industry led national training system. The key elements of the current arrangements, such as a national approach and industry leadership, will be strengthened.

The bills will provide some $4.4 billion as the Australian government’s contribution to the states and territories for vocational and technical education for the period from July 2005 to December 2008. This is in addition to the $577 million already paid to the states and territories for the first six months of 2005, so it is indeed a substantial commitment. It takes the total funding for the quadrennium to $4.9 billion and includes an additional $175 million compared to 2004. It represents an average real annual increase of 3.2 per cent on that year. The Australian government has also called on the states and territories to match that additional $175 million. If they were to do so, that would provide sufficient funding for up to 116,000 additional training places over the funding period.

A key feature of the Skilling Australia’s Workforce Bill will be improving the gov-
government’s capacity to influence the training sector through a funding framework that ties funding more strongly to a range of conditions and targets for training outcomes. That is very important. This government is very focused on achieving outcomes.

The government will drive genuine reform by requiring the states and territories to increase the flexibility and responsiveness of the sector; by maximising the choice for employers and new apprentices to enable them to select the most suitable training provider for their needs; and by implementing the work force reform in TAFE, including more flexible employment arrangements such as AWAs and performance pay. It is vitally important that we reward quality teaching through performance pay so that it is more responsive to local employer and industry needs.

The bills provide for the removal of impediments in state awards so that training qualifications are based on competence rather than length of time of service. The bills increase the utilisation of fully publicly funded training infrastructure by providing third-party access to that infrastructure on a commercial basis and ensuring that the payments received under the act are not used for providing vocational education to overseas students or for private recreational pursuits or hobbies. These requirements will be introduced in the legislation as statutory conditions for receiving funding. The reforms will be supported by bilateral agreements specifying targets, national priorities and performance levels relevant to each jurisdiction. This will result in a significant shift in Commonwealth-state relations and provide the Australian government with a more significant leadership role.

Through its budget this government has also shown its commitment to trade training. Within the budget we gave effect to our commitment for 24 Australian technical colleges. The budget provided for 4,500 new prevocational training places in trades, 7,000 school based new apprenticeships, 20,000 more places in the New Apprenticeships Access Program and the provision of toolkits worth up to $800 for 34,000 new apprentices a year entering areas of trade skills shortages. There will be an extension of the living away from home allowance for new apprentices in their third year and there will be scholarships for apprenticeships in skills shortage areas.

This government is absolutely committed to the provision of trade training, and to the need to upskill our work force and provide our young people and those who are going through a midlife career change with the skills they need to be productive workers into the future. We see trade skills as a vital part of our formula for the future. If you look at the members opposite, they are very retrograde in their views. They always look to what we did in the past: ‘How can we solve the problem? Let us look back to what we did in the past.’ This government is very much forward focused. It is focused on the importance of trade skills and giving our young people and workers being retrained the training that they need to be vital, productive members of our work force. I certainly commend the bills to the House.

Ms HALL (Shortland) (7.45 pm)—If this government were so forward thinking, why did they allow such a skills shortage to develop under their watch? They are responsible for what is happening in Australia today. It is under their watch that this chronic skills shortage has been allowed to develop. The Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 that we are debating in the House tonight, abolish the Australian National Training Authority, ANTA, repeal the Vocational Education and
Training Program Funding Act and establish a new system for Commonwealth funding of VET. The funding will be tied to statutory conditions, including the provision of AWAs and increased flexibility and competition for TAFE. We all know what ‘increased flexibility’ means when this government use that term. It usually means lower wages for the workers and poorer services and education—or poorer courses as it is in this case—for Australian students.

Unfortunately for Australia, this legislation is driven by a government of ideologues who are in turn driven by a philosophy that conflicts with Australia’s best interests. As I proceed through this speech, I will point out to the House just how that is. Under the Howard government, we have seen the emergence of chronic skills shortages. These skills shortages have been well documented by industry, employers and employer groups, workers and worker organisations, as well as by a wide range of experts and studies. Yet the Howard government ignored this shortage and put our economy in jeopardy. One of the first acts of the Howard government was to slash funding to TAFE colleges. If any act could put in jeopardy the training and skills of our work force, it is the slashing of funds to TAFE. You can hardly say that that was the act of a government committed to ensuring that we have a skilled work force here in Australia. Rather, I see that as an act of a government that are opposed to the best training interests of Australians and probably opposed to the TAFE sector.

Day after day we hear the minister ask in this House, ‘What’s wrong with young people leaving school in year 10 and pursuing a trade?’ I agree with the minister. In this parliament I represent an area where there are many thousands of young people who would like to undertake an apprenticeship, gain the skills they need to be qualified tradesmen and fill some of these skills shortages. Unfortunately, under this government there is a shortage of places in our TAFEs. They are not adequately funded because of the actions of this government back in 1994. There is no commitment to the training of our work force. In an area that once boasted some of the highest levels of apprenticeships and tradesmen in Australia, it is very sad that very few of our local employers are in a position—because they do not have the support they need—to undertake apprenticeship training. I direct my criticism at some of the local government authorities and some of the electricity providers just as much as I direct my criticism towards the government. It is imperative that large employers make the commitment to the future of Australia by being prepared to train apprentices.

As I have already said, this legislation abolishes ANTA and establishes a new system to grant financial assistance to the states and other vocational education providers. One aspect of these bills is to increase competition and flexibility in the TAFE system by the provision of Australian workplace agreements and full competency based training. I find that a very retrograde step. On 1 June, my office was visited by teachers from Belmont TAFE, my local TAFE college. They requested my support in opposing the Howard government’s VET bill—the Skill ing Australia’s Workforce Bill 2005. I told them that I was quite happy to give them that support. They are very upset that the linked funding for states and territories has a wide range of conditions and targets for outcomes of courses. They are quite happy to be outcomes based in the provision of courses and to expand the kinds of courses that they can provide at this TAFE college—they have been fighting to be able to do that for some time—but they do not believe that the linkages that are outlined in this legislation will deliver the best results.
I want to share with the House the issues that TAFE teachers in the Shortland electorate are concerned about. In a letter to me they have expressed concern about changes that include ‘the offering of Australian workplace agreements in TAFE’ and ‘increasing the funds allocated to private providers under user choice arrangements’. In other words, they see this as a de facto way of further directing funds away from TAFE colleges. They are also concerned about ‘opening up public TAFE facilities to third party access’. In other words, within the same TAFE college, a private provider comes in, uses the equipment that belongs to the TAFE college to provide courses, while the TAFE college itself is not being funded to provide those courses. Once again it is pushing TAFE teachers into the background. They also mention ‘performance management systems, including performance pay for teachers’, and ‘giving more authority to Institute Directors for recruitment and remuneration of employees’. This is of great concern to many of the teachers working within the system, because they see this is a way of changing the mix of skills that teachers provide to TAFE colleges and that it is a way of deskilling and lowering the level of training of tutors within the TAFE system. They also mention ‘removing the requirement in State awards for time-based training’ and ‘a requirement that colleges must neither encourage nor discourage union membership’. Here in this place we have become very familiar with the government trying to do everything it can to undermine union membership, but by undermining union membership in TAFE colleges they are undermining the security and working conditions of all those people who are employed within the TAFE system.

The representatives who came to my office believe that VET funding should be there to ensure that teachers in the TAFE colleges and campuses are able to effectively develop quality education for a wide range of students across a wide range of areas and that courses need to meet the needs of industry, the community and the future economy of Australia. At a time when we have massive skill shortages it is imperative that additional funding be channelled into TAFE education in programs in all areas to develop these skills. The teachers see in these changes the government seeking to undermine the work of TAFE teachers, attacking their working conditions and rights and preventing their union representing them effectively in the workplace.

This letter, parts of which I have shared with the House tonight, was signed by a number of teachers at the TAFE college in Belmont: Michael Salani from Redhead in my electorate, Alan Giblin from Charlestown, Trevor Eggins from Belmont, Trevor Howard from Whitebridge, Philip Mitchell from Redhead, Steve Waye from Floraville, Peter Crawford from Gateshead, Catherine Oswald from Whitebridge, Dan Miller from Jewells and Peter Morris from Valentine. I share their concerns. I hope that the government listens sympathetically to the issues that they have raised, because this legislation is a retrograde step at a time of chronic skills shortages.

It is interesting to look at some of the people who are calling for more action in the area of skills. The Australian Industry Group have been one of the greatest proponents of skilling up our work force. In their report World-class skills for world-class industries: accelerating reforms to vocational education and training they say:

World-class industries demand a world-class training system.

In their report they highlight the shortage of skilled labour across Australia and make the point that, for some time, industry has identified this as an emerging problem. They say
that the DEWR skilled vacancy index for 2003-04 demonstrated that there was going to be a skills shortage and that in some occupations vacancies could not be filled. The index showed that there had been a 21 per cent increase in vacancies in the metal trades, a 38 per cent increase in the electrical and electronic trades, a 45 per cent increase in the printing trades and a 17.9 per cent increase in construction trades. It is also appropriate to put on record that there has been an 8.9 per cent increase in vacancies in the past 12 months. In a survey done in the Hunter region, 61 companies reported a total of 805 vacancies in 2004, 85 per cent of the companies surveyed were experiencing skills shortages—that is a very significant skills shortage—and 633 vacancies were at a trade level and above. This says it all as far as I am concerned. TAFE trains our qualified tradesmen and tradeswomen and it has the runs on the board. TAFE has worked very hard and demonstrated over the years that it can train the trades people that we need in Australia. I see this legislation before us as being an attack on an institution that does not fit into the government’s little box.

It has been three years—going on for four now—since the emergence of a shortage of skilled labour in the Hunter, and that has impacted on the ability of the Hunter to tender for contracts, particularly in areas where a skilled work force is needed. As I have already mentioned, in 2004 there was a total of 805 skilled vacancies, with 61 employers employing 6,400 people within the Hunter region. That is a vacancy for every eight employees in the work force. There are vacancies for electricians, boilermakers, fabricators, labourers and engineers, but applicants with the right qualifications or the right skills cannot be found. The vacancy rate is higher in smaller firms—that is, firms with fewer than 30 workers—with a vacancy for every four workers. This is very significant, and it is hardly a proud record. Medium sized firms have one vacancy for every six employees; and large firms, with 100 or more employees, have one vacancy for every 10 employees. I think it is an absolute disgrace that these skills shortages have been allowed to develop, and I worry that this is going to be exacerbated by the legislation that we have before us today.

Recently I was a member of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, and we did an inquiry into increasing participation in the work force. The second recommendation of the committee’s report is:

... that the Australian Government in cooperation with the State and Territory governments, industry, unions and educational bodies expand programs to maximise the uptake of apprenticeships in areas of skills shortages and ensure that the training is relevant to the apprentices, the businesses and industry.

The one place that training is relevant to all those people is within TAFE colleges—our great TAFE colleges, which are in each and every electorate throughout Australia. The third recommendation is:

... the Australian Government establish, as a priority, a dedicated cross-portfolio approach to develop a coordinated long-term strategy, including a series of newly funded programs and defined outcomes, to address national skills shortages.

This legislation will, I think, inhibit those recommendations to some degree. What concern me are the linkages that are required in this legislation. I see it as a cost-cutting move by the government. Included in these workplace reforms is TAFE’s capacity to generate revenue; TAFE will be required to develop a commercial business plan that will enable government funding to be reduced. In other words, it is all about cost cutting; it is all about taking money away from the TAFE
colleges and changing the focus of the way our TAFE colleges operate.

Another aspect of this legislation that I find quite concerning is the fact that the Commonwealth will have the power of veto over state and territory VET plans. Previously this process was conducted by ANTA, and now we have that power being shifted to the Commonwealth. I know that the TAFE colleges that are operated by the state and territories are very receptive to the needs of their communities. They are a lot closer to the people; they are a lot closer to the communities that they represent. They know the skills shortages that exist in their areas, and they know about the young people coming to them each year, trying to enrol in courses and being turned away.

I find it appalling that the government is seeking to introduce AWAs into the TAFE system and is seeking to put in place legislation that I believe will lead to a poorer outcome for all the people in the community that I represent here in this parliament. It will lead to a poorer opportunity for them to undertake the training they need to develop the skills that Australia needs to move us forward into the next century.

Mr HENRY (Hasluck) (8.05 pm)—It was very interesting to hear the previous opposition speaker talking to the legislation and talking about cost cutting and the impacts on TAFE colleges and their ability to deliver. I recall that in the Leader of the Opposition’s reply to the budget speech he spoke about deception and suggested that there was a fair amount of deception on the government’s part with respect to the growth in our economy et cetera. He should have spoken about self-deception, because I think that is the reality that we see coming from the other side of the House with respect to these matters.

The future prosperity of our country and indeed the continued growth of our nation’s economy depend in large part upon the availability of a skilled and flexible workforce. The work force must not only be world class in terms of its quality but also be capable of meeting the needs of Australia’s industry, which operates in an increasingly aggressive and volatile environment in terms of competition both at home and abroad. The resource and construction sectors are great examples of this.

The Skilling Australia’s Workforce Bill 2005 and the associated Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 are the vehicle for this government’s new national funding arrangement for vocational education and training over the next four years to the end of December 2008. Taking into consideration the $577 million already paid to the states and territories during 2005, the legislation represents an investment by this government of nearly $5 billion in the future of skills training and skills development for all Australians.

This government’s commitment to vocational and skills based training is very real. The $577 million paid this year represents an increase of $175 million over the 2004 figures and equates to an increase in real terms of 3.2 per cent, giving the lie somewhat to the words of the previous speaker. The $5 billion provided by the government builds on other vocational and training initiatives already announced by this government, which over four years will together amount to a record $10.1 billion.

This is not legislation that provides funding irrespective of what outcomes might be achieved; it is in fact legislation that provides funding with strings attached. In my view this is rightly so, as those strings are tied to extremely desirable training outcomes to be achieved by the states and territories, which...
will benefit from the funding. Why? Because we need to ensure that the significant investment by the government produces the best possible outcomes for the people of Australia, particularly for our young people who are seeking to embark upon vocational training and for employers looking to develop their work force for the future by taking on trainees and apprentices.

The legislation therefore seeks to achieve some genuine and much needed reform by requiring states and territories to increase the flexibility and responsiveness of the training sector by such measures as maximising choice for trainees and employers, implementing workplace reform within TAFE and ensuring that various state awards and legislation such as the Industrial Training Act in Western Australia reflect actual competencies rather than the length of time served as an apprentice in the training system.

There have been a number of attempts in Western Australia to amend or repeal the Industrial Training Act to allow apprentice training to be more responsive to the needs of employers and industry generally. The Master Builders Association of Western Australia would like to see the introduction of a trowel hand traineeship or apprenticeship as the first step in a bricklaying apprenticeship. The Industrial Training Act prevents this occurring. I call on the state minister in Western Australia to take immediate action to repeal or amend the Industrial Training Act to allow for appropriate flexibility in training arrangements to be put in place across a range of industries for the benefit of all.

In this legislation, these requirements will be introduced as a condition of receiving funding, and the reforms that are needed will be supported by the bilateral agreements reached with the states and territories involved. These bilateral agreements will include specific targets and identify national priorities as well as performance levels to be achieved.

No doubt the reform outlined by this legislation will have its opponents, as we have seen from speakers on the other side. For instance, I am sure that there are members on the opposition benches who will criticise the need for workplace reform within TAFE and, in particular, requirements for workplace agreements. But, with the TAFE system delivering around 85 per cent of all publicly funded training, the reality is that vocational and skill based training cannot be made more flexible or responsive without TAFE reforms and the introduction of the AWAs, creating a more responsive and flexible learning environment. Yet we have heard speaker after speaker from the opposition wanting to protect their union mates in TAFE and to continue to entrench ineffective and obsolete work practices.

This legislation will help to strengthen Australia’s economic base by helping to provide a highly skilled and flexible work force that will meet the future needs of Australia’s industry. It will also promote a national approach to the delivery of vocational education and training that in my view will be very welcome. It will make the skills of those who have undertaken vocational training more transferable between the various states and territories involved. It seems ridiculous that in 2005, because of the state systems and the vested interests of unions, tradesmen such as carpenters, refrigeration mechanics, electricians, welders or indeed hairdressers in one state should have difficulty in having their qualifications recognised in another. Such a situation, where a hairdresser cannot move from Victoria to New South Wales because each does not recognise the skills of the other, after more than 100 years of federation, does indeed seem farcical. It is interstate rivalry taken too far. It is not in the national interest or in the interests of the Aus-
Australian people to allow such a situation to continue unresolved. I am pleased that at the recent COAG meeting this seemed to be recognised by state premiers.

Australian skills are in demand across the world. It therefore seems bizarre to me that a skilled worker can take his or her trade qualification overseas, where Australian vocational training is recognised as being amongst the finest in the world, but that they should have difficulty transferring that skill from one state to another in their own country. A national approach with the federal government taking a leading role is needed, and the Skilling Australia’s Workforce Bill 2005 helps to deliver just that.

The Commonwealth-state agreement that will emerge as a result of this legislation will have at its heart a strong theme of developing multilateral agreements on vocational training and qualifications between states and territories. The agreement will focus on national cooperation to deliver, in my view, a better, more integrated approach to building a skilled, flexible and mobile work force. That is important for a modern economy—and for an economy which, thanks to the good management of this government, is continuing to experience strong growth and low levels of unemployment. In fact, these are the lowest levels of unemployment for some 30 years.

But that growth brings with it a number of challenges, and we must not allow it to be threatened either by an unwillingness to reform workplace relations or by a lack of investment in developing the skills of the work force of tomorrow. Thankfully, this government is prepared to commit to both—unlike the opposition, which seems to have an ‘it’s all too hard’ policy and a lack of stomach for confronting its union mates and supporting workplace relations reform. The Leader of the Opposition argues that no further productivity gains are possible. This attitude is symbolic of a party bereft of ideas and initiatives, with no answers and no solutions other than to look at its union mates and provide protection for them.

As the Australian economy continues to grow and expand, so does the need for a work force that has all the skills necessary to meet the demands of industry. That the skills shortage is real should not be doubted. It is already a factor in helping to drive up wages within the construction industry within my own state of Western Australia. The skills shortage has been cited as a significant factor with the potential to slow local economies and deter developers from moving ahead with new projects.

The message is further reinforced in an article that appeared on 20 May in the Australian Financial Review entitled ‘Workers in the driver’s seat as skills shortage bites’. In Western Australian terms, the article highlights the fact that, with the resources and construction sectors both experiencing strong growth, skill shortages are starting to push up wages as employers compete for the finite pool of skilled labour available to them.

I am delighted that this government has committed, through the Skilling Australia’s Workforce Bill 2005 and other measures, to making such a massive investment in vocational training for young people. I also welcome this government’s commitment to helping mature workers to reskill or upskill through programs designed to get people back into work as part of such schemes as the Welfare to Work initiative announced by the Treasurer during his budget speech. As part of that package the government will be offering the states around $42.6 million to create 12,300 skills training places to encourage people back into the work force, where their contribution to the economy is so badly needed. Indeed, I am greatly heartened
by this government’s commitment to further skilling Australia’s work force through such initiatives as setting up the 24 new Australian technical colleges and extending the entitlement to Youth Allowance and Austudy to full-time apprentices. These are very welcome steps, but a sea change in attitudes towards vocational training is also necessary within the country as a whole. It is my belief that the Skilling Australia’s Workforce Bill 2005 will help to deliver that sea change.

I look forward to the day when young people, in terms of their career aspirations, will recognise the value of vocational training as being on par with that of a university degree. The funding that is being provided through the Skilling Australia’s Workforce Bill 2005 is a tangible demonstration of this government’s continued commitment to a robust, nationally based vocational education and training system. The bill sends a strong message to the Australian people that vocational and skills based training is valued and is indeed vital for the future prosperity of this nation. In developing this bill the government has consulted with key stakeholders and has received strong support for the direction and strong leadership for vocational training provided by this legislation. In my view, the bill provides a sound footing for taking vocational and skills based training in this country forward and for helping to tackle skill shortages in industry. These bills have my wholehearted support and I recommend them to the House.

Mr BRENDAN O’CONNOR (Gorton) (8.17 pm)—In finishing his contribution to the second reading debate on the Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 the member for Hasluck made reference to the fact that there were key stakeholders involved in the process of developing these bills, which will be enacted if passed by both houses. However, one thing he failed to mention—and indeed all members of this parliament who belong to the political parties currently in government have failed to mention this—is that there has been no proper consultation with the states. This is an area where the states provide more funding than the Commonwealth. The employees of these institutions are not employed by the Commonwealth. With regard to the two major components of the Skilling Australia’s Workforce Bill 2005 the Commonwealth has shown an utter disregard for the states, an utter disregard for cooperation between tiers of government and an utter disregard for a collaborative approach to education and training.

Earlier, in her contribution, the shadow minister made it very clear that this is a watershed. This is a watershed because it is the death knell of cooperation between genuine stakeholders who are concerned about educating and training Australians. Those stakeholders realise that there is a causal link between skill acquisition and productivity in the workplace and are concerned that those important innovations that must be brought about in this key area of public policy are done so genuinely in a collaborative manner. These two bills before us today are an assault upon states’ rights. They are an assault upon what has been, for at least 13 years, a collaborative approach to training. One of the reasons that the government has chosen to do this—and this is the primary reason that the bills appear in the form they do currently—is that from 1 July the coalition will have effectively a majority in both houses of parliament. It seems to me that, given this rare occasion where a government manages to find itself in the position of having a majority in both houses, it no longer has regard for states’ rights. Indeed the Prime Minister has shown his disregard for reconciling differences with the premiers and the respective
state governments in relation to very important areas.

The community is sick and tired of governments blaming each other in areas of public policy—blaming the states or blaming the Commonwealth for a particular failure to meet the expectations of the citizens of this country—but Labor do not believe that the best approach is to attempt to grab all of the jurisdiction in this area. As I said earlier, this legislation is an extraordinary assault on the states, given that most funding in this area is in fact not provided by the Commonwealth. We are seeing the end of what has been a collaborative approach. Through the passing of these bills we will see the end of the Australian National Training Authority. I am of the view that ANTA had flaws and that it could always be improved.

When I was working with and was a member of, for example, the Australian Local Government Training board and dealing with ANTA, I held the view that there were better ways in which we could be developing competencies—that is, measurements of skills. I did not always agree with the way in which ANTA approached matters, but I do not think it is right to throw the baby out with the bathwater in this area, because what we had with ANTA was a tripartite approach to vocational training to ensure that the skills of this country were suitably high for us to be able to compete globally. That was the expectation and the intention of ANTA. It did not always meet its mark, but we have been left instead with nothing. We have been left with an absence of policy to bring together the relevant stakeholders of vocational training to work out what is required by workplaces in this nation.

Over the last five or more years every objective commentator has been warning this government about Australia’s lack of workplace skills. There are skills we have that are currently not in demand—and that happens from time to time in an evolving economy—and there are skills we do not have that are currently in demand. But the government has failed to anticipate those skill requirements and, as a result, has left us short of the skills that are required to compete internationally. Every objective commentator has remarked upon that. When listing the priorities of organisations, surveys conducted by employer bodies have found on each and every occasion that the No. 1 problem confronting employers is a lack of skills in areas of demand, in the new economies. These failures by the government are not going to be solved by bashing ANTA, by abolishing a tripartite body or by obsessing about the government’s industrial relations agenda.

We know that this Prime Minister and this government like to obsess about industrial relations. This government has a hatred of and an enmity for unions that has been unparalleled since Federation. Since Federation no other government has shown such contempt for the entitlement of employees to organise collectively if they so wish. Indeed, that is written in this legislation. It has again insidiously found its way into an education and training bill. It is quite remarkable. If I were to think about the minister who may have been involved in drafting this bill, I might have thought it was the Minister for Employment and Workplace Relations. I may reasonably have been mistaken and thought that this bill on education and training is a bill about industrial relations because one of the fundamental planks of this bill is a provision that will force employers in a given industry—in this case, the education sector—to offer Australian workplace agreements to their employees if they want their funding. Indeed, they will not get their funding, I would contend, if they do not accede to the provisions of this bill.
That is a very serious step, even for this government. When I compare its record and its attitudes towards working people and unions, I do not compare them with those of Labor. I do not compare this government’s views with our views of a fair system, which believes in tripartitism, fairness and having a decent and independent umpire. To get some measure of its radical attitude and its hostility towards organised labour, I compare this government with recent coalition governments, including the Fraser government and the Menzies government. I conclude—and I am sure it is very hard for anyone to argue otherwise—that this government stands out as being one that is clearly obsessed about destroying the right of employees to collectively bargain.

As has been alluded to by the shadow minister for education and other speakers on this side of the House, proposed section 12(1)(b) effectively means that all TAFEs will be forced to offer Australian workplace agreements to their staff. That is interesting, because another Commonwealth law says that, pursuant to the Workplace Relations Act, the instrument to be used to settle a dispute or to make an agreement is to be determined by the parties to that agreement or dispute. I am paraphrasing, but in effect the Workplace Relations Act says that it is not for third parties—not this Commonwealth government, nor indeed any other party—to compel parties to an agreement as to what agreement that would be. It does not place Australian workplace agreements above collective agreements, whether they are non-union or not.

I understand the media—some deliberately, probably some unwittingly—quite often think this is an argument between the right to a collective union agreement and the right to an AWA. I am suggesting it is more than that. This is a right to choose a section 170LJK agreement, which is a collective non-union agreement; a section 170LJ agreement, which is an agreement to which a union or unions are a party; or an AWA. What the legislation has never said and still does not say is that another party can bribe, compel, force or bludgeon parties to an agreement—whichever instrument they choose—into picking a certain type of agreement.

This is a very unusual bill but it may well be one of many we will see this term that force parties to enter into arrangements they do not want to enter into. The Prime Minister likes to get up on his soapbox—and he is of a stature that probably makes that all the better for him—and say, ‘Third parties should not intervene in agreements between industrial parties.’ But here we have a government introducing a set of bills which, if enacted, would compel another party to offer AWAs to their employees. We have a remarkable, and I would say unprecedented, situation of using education and training to force through an IR agenda.

We have seen a pattern of this being foreshadowed since this parliamentary term commenced, and we have seen the same sort of approach mentioned by the Minister for Transport and Regional Services. Indeed, we have seen the Minister for Education, Science and Training and the Minister for Vocational and Technical Education attempting to spend Commonwealth moneys—taxpayers’ money, by the way; it does not come out of their back pockets—in a way that would force people into a contract—because that is what a registered agreement effectively is—that they may not want to enter into. It is a very coercive and prescriptive approach to legislation, and it will sully any positive impacts that the government may have in areas of public policy. If they are always trying to push an IR agenda in an area of policy that is not related to IR then I think they do themselves and this country an injustice.
It is also important to note and to return to the fundamental problems confronting this country in relation to skills. The abolition of ANTA will clearly occur as a result of the enactment of these bills. The imposition of IR dogma upon other parties will of course occur if these bills are passed. But what we need to know is: what measures are in place to meet the skills crisis we have in this country? That is what the government should be focusing on—not on what mean and tricky ways they can find to force parties into agreements but on how to fix the skill shortages.

Working for Australia’s future: increasing participation in the workforce was tabled in this House in March this year but has yet to be debated fully. This is a report by the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation. Much of the work of the inquiry that culminated in this report was done in the last term, and a lot of the hard work in collating the evidence and putting it together into a report was undertaken by the committee members early in this term. I have already commented on the efforts made by government members and Labor members in coming together to produce what I think is a very important document.

I probably do not have to tell you, Mr Deputy Speaker Scott, that the area where we differed was industrial relations. There were a few efforts to find ways to, as I think the government likes to call it, make ‘flexible’ workplace arrangements. We know that the word ‘flexible’ is pretty much a one-way street. But there are a number of areas—and I have commended the government members on this, and in particular the member for Deakin, the chair of the committee—where we agreed. Overwhelmingly, we agreed in relation to some of the problems confronting increasing participation in the work force. At page 97 of the report, under the heading ‘Skills shortages’, the committee members unanimously made a number of points. Firstly we indicated, following on from an earlier chapter:

Another important trend in Australian employment has been the emergence of a number of skills shortages which place a substantial burden on the economy through lost productivity. Manpower Services (Australia) believes that Australia risks economic irrelevance in the global economy and a lower quality of life.

Manpower Services was one of the witnesses we had before the inquiry. The report continues:

Increasing educational participation is an important factor in increasing labour force participation. There has been an increase in the proportion of higher skilled jobs as a share of employment growth in recent years.

The report goes on to state:

Service industries have increased in importance to the Australian economy while the goods-related industries have decreased in importance ... In rural and regional areas, the importance of agriculture, forestry and fishing industries in particular has decreased, which means that people often need to learn new skills to remain competitive in the labour market.

The report then goes through further evidence about the deficiencies of skills in this country. This is the work of 10 members of this parliament, six of whom are government members. The committee recommends:

... that the Australian Government in cooperation with the State and Territory Governments, industry, unions and educational bodies expand programs to maximise the uptake of apprenticeships in areas of skills shortages and ensure that the training is relevant to the apprentices, the businesses and the industry.

Further, the report states:

The Committee recommends the Australian Government establish, as a priority, a dedicated cross-portfolio approach to develop a coordinated long-term strategy, including a series of newly funded
programs and defined outcomes, to address national skills shortages.

There is not a dearth of ideas on the other side; it just seems to me that they are not able to get through the Prime Minister and through the minister’s own obsession with industrial relations. If we started to embrace some of the ideas that government and Labor members have discussed in this report, it would go a long way to fix the problems we have in this country. *(Time expired)*

**Mrs HULL** (Riverina) *(8.37 pm)*—This evening I am happy to rise to support any move to focus on training, particularly in the trades and services areas and particularly in rural and regional areas. The Skilling Australia’s Workforce Bill 2005 and the Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 will establish a new training system—a national training system—and put in place arrangements to ensure a high-quality, flexible and responsive system which will meet the challenges that are facing Australia today.

I listened to the member for Gorton with much interest when he talked about a skills crisis. ‘Skills crisis’ is the term that he used. Let me remind the member for Gorton and the opposition that it was the opposition’s obsession with the ‘clever nation’ during the time of the Hawke and Keating governments that has seen a skills shortage, particularly in rural and regional areas. Time and time again I have come into this House and heard the opposition scream about the rise in HECS fees, but there is never one word about technical college and training fees, which have increased by 300 per cent in some trades in cross-TAFEs, particularly in the Riverina—so much so that even TAFE teachers went out on strike, as I have mentioned in this House before, because they felt that it was unrealistic to see these fees increase by such an amount. Again, the kids that were undertaking these trades and services courses were paying for their training up front. In many cases, their employers were paying for their training up front. This was jeopardising any possible options that these young regional people might have had for a future that could keep them in rural and regional Australia.

I have been calling for some response to the issue of the depleting skills in trades and services, particularly in rural and regional Australia, and I have been calling for this obsessiveness with higher education and academia to cease, in the interests and for the benefit of all Australian people. We need builders and tradesmen; we need electrical contractors, plumbers, fencers and concreters. We need many people to build this nation in the future. The focus on these trades and services has been lost for a long time. Finally this government has seen that the focus needs to be restored if we want to have a competitive nation into the future.

The new training system means that new hope and opportunity will be provided for country kids. It will be my fervent hope that our kids will no longer have to be exported to cities in order to gain an occupation—simply because at many times our children were thought, and meant to feel, to be not worthy if they were not taking on an academic post. Ultimately they travelled to the cities to find themselves an occupation in a retail outlet or some other area where they felt they would not be ashamed to work. It is the highest honour to work in a skilled trades and services area. To hold a ticket in your chosen profession is something that we should look up to. We should certainly aspire to having a tradesman’s certificate. That is the way in which this nation will continue to be built.

The Minister for Vocational and Technical Education spoke of the importance of building on the success of our national industry led training system. It is essential to deliver
skilled workers to our rural industries and to experience economic growth that we all want now and into the future. The only way that we can do this is to train and secure trades and services in our young people—and in mature aged apprenticeships and training. People are never too old to learn a new trade. I have seen many people in my electorate who have retrained in a trade and who are thoroughly enjoying not only the success of retraining but also financial success in a trades and services area. It is a vital investment for our social prosperity, particularly in rural and regional areas, and it is also a vital component of the survival of many small communities. It is also required in our larger communities, because many of our larger cities—regional cities—are finding it very difficult to provide the work forces to build and grow their population in order to assist the smaller communities that have become dependent on the larger regional centres.

For rural and regional communities it is true that a sustainable community depends on a healthy local economy and access to services, including training services. The new national training system will support this in a variety of ways. In particular, it will support it through its new structure for channelling industry leadership and engagement in line with the national agenda.

As part of the new system, a national industry skills committee will be established to provide the Ministerial Council on Vocational and Technical Education with high-level advice on key issues such as work force planning and future training priorities. It is pleasing to see that the membership of this committee will include a range of peak employer groups, including none other than the National Farmers Federation. The National Farmers Federation oversees a huge industry providing agricultural opportunities and employment. This is an exciting industry that is all too often forgotten—never taught and never exposed in our education system. It is exciting to see prospects for employment and careers in our agricultural industry. It is great to see that the National Farmers Federation will ensure that these agricultural and rural and regional issues are represented at the highest level in this new national training system.

Industry skills councils will also be maintained, under the new arrangements, as sources of expert industry advice in the development of training packages and skills forecasting. The agrifood industry, one that my electorate relies on enormously, will have the Agri-Food Industry Skills Council—one of 10 industry skills councils that will provide specific advice on a range of regional and rural industries, including farming and meat, seafood and other food production. This will ensure that training courses are relevant to the workplace, whether that workplace be out in a paddock, in a saleyard, at a local cannery, at the local abattoirs, in the local food production chain or in any other rural industry. It is very valuable and very worth while—particularly in those rural areas such as the Riverina, where agrifood industries dominate much of our growth and much of our prosperity—and it is good to see that the interests of these industries will be taken into consideration through the Agri-Food Industry Skills Council.

The Australian government has a number of important initiatives that support the training needs of our rural and regional communities. These include the National Skills Shortages Strategy, which will address the needs of regional communities. Under this strategy the Australian government will continue to work with industry, education providers and communities to profile existing and potential industries in a region; to identify common skills, training needs and solutions; and to pilot practical strategies which could be used in many regions right across Australia. I have
seen an enormous increase in the number of our community representatives outside capital cities undertaking training over the last few years. It has been a dramatic increase; we now have over 39 per cent of students in training. I recall at one stage giving an address to the motor vehicle industry and being extraordinarily proud of the incentives that were being offered by the government to ensure that trades and services, particularly in the motor vehicle industry, were getting the support—not only in dollars—that the industry leaders and business owners required to continue their training of apprentices in order for them to become fully-fledged tradesmen that would keep the motor vehicle industry functional.

It is not until you have nobody to repair a smashed motor vehicle, an engine that has broken down or airconditioning units that have broken down, or until there are no electrical engineers around, that you realise the value of trades and services. I include in that truck driving. One thing we find in this nation is the undervaluing of our truck drivers. Too many times, I feel, truck drivers are taken for granted. Hopefully these new skills and trades areas will recognise the absolute need to focus on and concentrate on being able to relieve the shortage of truck drivers into the future. It is an enormously skilled vocation and profession, one that you should be very proud of being involved in. Without truck drivers doing the daily grind and the daily tasks that they do 24 hours a day, this nation would come to a standstill, an absolute halt. Something that is not recognised enough in this House or outside is the major role that truck drivers play in the economy of Australia every single day.

It is great to see that more of our students are currently undertaking training than ever before, particularly compared to the 13 years of life under Labor’s rule. People in rural and regional areas have significantly increased their participation in new apprenticeships, and we now have more than 150,000 places, compared with around 54,000 places in 1995, just prior to this government coming into play in 1996. Things have moved a long way. With absolute dedication and commitment to the task, we have seen the recognition of the true professions in trades and services right across Australia starting to get the respect that they should have been receiving in all of the previous years. They have now been put back on the agenda, and it is a great feeling to stand here and to laud the professions and to espouse the benefits of having a trade certificate—it does not matter in what area you choose to be a tradesman. I have said time and again in this House that it is these tradespeople who will be the future—not just the builders of the nation but the economic players in the nation, because, by gee, you will need to start to pay tradesmen a lot of money in the very near future because otherwise you simply will not get anybody to come and build houses, workplaces or a whole host of different areas, because they simply will not be available.

I congratulate the Howard-Anderson government for their continued commitment to regional areas. They have put in place additional incentives for employers in rural and regional Australia who commence a new apprentice in an occupation experiencing skills shortages. They have also established the Australian technical colleges, which will deliver additional training facilities and opportunities in many regional areas that are experiencing skills needs and which also have higher rates of youth unemployment. I would desperately love to have one of those technical colleges established in the western Riverina, and I have constantly put my hand up for the western Riverina to be considered for a technical training college. I think it is a perfect environment and a perfect setting to establish such a college, to ensure that the
The vibrancy of the Riverina region is continued. It is a strong, vibrant community, experiencing the ravaging effects of the worst drought in 100 years. But still, week after week, we open new businesses with consumer confidence and business confidence in our communities. They are not going to lie down and be defeated by the elements of nature; they are going to get up and continue to try to survive in these very difficult times.

My western Riverina area around Griffith and Leeton would be a perfect place to establish a technical college, as I said, to ensure the vibrancy of the agricultural industry, the production area and the many manufacturing industries established there. Only a few weeks ago, I had the good fortune to open a climate house in Wagga Wagga; it was from Celi Melmat. Ted Celi and his family have taken enormous steps of growth in a holistic airconditioning approach. It was just amazing to see the confidence that this family has to continue to contribute to regional Australia. The majority of their employment is in rural and regional areas and certainly there is also some significant employment in Adelaide. It was brilliant to see somebody who had started in their backyard working on refrigeration units and then expanded with such confidence into the community, while continuously training people in this very valuable area. The western Riverina is a great area in which to have a technical college and I hope that at some stage we will be able to secure such a college.

The government will also continue to provide funding to our schools, our industry groups and our Indigenous organisations to develop or refurbish vocational and technical education facilities, including those many mobile training units that get out and about in rural and regional areas. Since 1995, nearly 200 training facilities have been established or redeveloped by this government in rural and regional areas. This is an extremely significant and important outcome, as I have said, for the social prosperity and invigoration of our communities. Not only are more people able to access quality training locally without having to go off to the city to determine a future vocation but also these industries are being better supported and our regional and rural economies are being sustained.

Therefore, it is with great pleasure that I support this Howard-Anderson government, which single-handedly has reinvigorated vocational and technical education after it had not been on the agenda for a significant number of years. It is so pleasing to see the numbers now participating in vocational and technical education. They have grown from 1.27 million in 1995 to 1.72 million now—an increase of around 35 per cent. Those increases can be seen because you can observe people who are out there employing trainees and apprentices and taking them through to fulfilment of their trade certificates.

We need a more responsive and flexible training system. We need to deliver higher quality and nationally consistent qualifications, regardless of whether our training is in rural and regional Australia or in a capital city. In this legislation, it is good to see that regional areas have not been forgotten. Through these bills, the government can really drive genuine reform to achieve the capacity and ability that for so long rural and regional people have been crying out for. It is true that the interests of our regional industries will be well represented under these new arrangements.

I give great support to this legislation. I commend the Howard-Anderson government and the minister on their attention to what certainly is very meaningful, in particular to my area, the Riverina, and in general to rural and regional people and communities.
Mr HAYES (Werriwa) (8.57 pm)—I am pleased to have the opportunity to support Labor’s amendments to the Skilling Australia’s Workforce Bill 2005 and cognate bill. These bills, being considered as a package, abolish the Australian National Training Authority, ANTA, and establish a new system to grant financial assistance to states and territories for vocational education and training. In the light of our growing skills shortage and this government’s desperate attempt to paper over the cracks of its serious lack of investment in education and training by increasing skilled migration, this package, on the face of it, may seem to be reasonable. Over the next few years, the government will contribute $4.4 billion to fund the states and territories—and the minister uses terms such as ‘high-quality’, ‘flexible’ and ‘responsive’ to describe the brave new world of funding—for vocational education and training. Again, on the face of it, it sounds reasonable. However, like always, the devil is in the detail, and it is the detail that I am concerned about.

Before turning my concerns to a number of statutory conditions attached to the allocation of financial assistance, I will provide some insight into my history and experience with the vocational education and training sector and, in particular, the Australian National Training Authority. It is important that ANTA’s significant achievements are not ignored in this debate. Considerable achievements in reform of Australia’s vocational education and training have occurred over the last decade and a half. The Hawke government recognised that Australia needed to build its skilled workforce if it was to maintain its competitiveness in the global economy.

Reforms in vocational education and training were driven by ANTA to assist with the achievement of democratised skill recognition—a scheme of national and portable qualifications, which are now within the reach of every worker in every occupation and industry—the provision of learning and development pathways for all workers from entry level to managerial and professional ranks, equipping workers with the skills needed to remain competitive and encouraging flexibility and responsiveness in TAFE and other VET providers to meet the needs of industry and of the students.

The DEPUTY SPEAKER (Hon. IR Causley)—The debate is interrupted. The honourable member will have the right to continue his remarks when the debate is resumed.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 9 pm, I propose the question:

That the House do now adjourn.

Lo Family

Ms GEORGE (Throsby) (9.00 pm)—I take the opportunity in the adjournment debate this evening to raise the case of the plight of the Lo family, who live in my electorate of Throsby. Edward and Carol Lo arrived in this country in September 1989 from Hong Kong. They have two children, Lawrence and Langland, who were both born here and are Australian citizens. These two children are facing the prospect of being separated from their Chinese parents, who are now facing the possibility of deportation by this government to Hong Kong.

The parents came to Australia believing they faced possible persecution due to their involvement in protest activities aimed at the Chinese government. Their applications made for protection visas have so far been declined. As far back as July 2003, I wrote to the then immigration minister, Philip Ruddock, requesting reconsideration of the Los’ application to be granted residency in Aus-
Almost two years later, on 6 May 2005, another minister, Minister McGauran, advised me that he had declined to exercise his powers under the legislation to allow the parents to remain in Australia with their two children.

It took two years before I received an official reply. One might ask: what is going on in the immigration department? It is certainly a question many are asking in the community. Subsequent to the receipt of his letter, I met with the minister here in Canberra on 31 May, urging his reconsideration of the plight of this family. I told the minister that I found it very disturbing that two children, Australian citizens who know no other home but Australia, were now faced with two unacceptable options: either be sent to Hong Kong with their parents or remain in Australia, as 10- and 12-year-olds, without their parents. I urged the minister to exercise his discretion under the act and allow the Los to remain as a family unit in Australia.

The issue now is not just about the rights and wrongs of the parents’ actions over the past 16 years. The issue now confronting the government is about two children who are being punished for doing nothing wrong. I submitted further material for the minister’s consideration on 9 June. This material included an open letter signed by a range of significant local church leaders, including the Anglican and Catholic bishops in Wollongong, and a petition organised by Reverend Lukins from the Uniting Church in Dapto. This petition was signed by some 1,500 local people in the short space of three days. As well, this further information to the minister provided an assessment from a clinical psychologist reporting on the adverse impacts of this government’s heartless decision with regard to these two young boys.

In that submission to the minister, I requested that he agree to meet with a small group of local representatives, including Reverend Lukins from the Uniting Church in Dapto. Again that request for ministerial intervention failed. His office advised me last Friday: ‘The minister will not be intervening.’ This minister’s response shocked and saddened many in my community who have been touched by the plight of the Lo family. We certainly have not given up hope. I have again asked the minister to exercise the discretion that is available to him under the legislation and, as an act of compassion, at least allow the children’s mother, Carol Lo, to remain in Australia with her children until such time as they finish their schooling and turn 18. I sent that letter to Minister McGauran on Friday the 10th and to date no official reply has been received. I want to conclude by quoting Reverend Lukins:

In recent times, as a nation we have expressed a desire for the authorities in Bali to show compassion and mercy to an Australian citizen found guilty of drug trafficking.

Yet now in Australia we have two Australian citizens ... who find themselves trapped in a situation not even of their own doing at all. Surely it is in the interests of these two young Australian citizens and of our whole nation that the government act mercifully and compassionately towards them. (Time expired)

Mrs Kerrie Nairn

Mr Nairn (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (9.05 pm)—Regularly members in this House rise to speak, quite appropriately, about the contribution that particular constituents who have passed away have made to the community. Tonight I rise to do just that, but in this circumstance the constituent was also my wife, Kerrie. As most members may be aware, Kerrie passed away peacefully at home on the evening of 26 May. She was first diagnosed with advanced cancer
just two days before last Christmas. Unfortunately, the chemotherapy she undertook over a 2½-month period did not do the job we had hoped. However, I stress that she received excellent medical assistance over the period of her illness. Sometime in the future I may speak further on the subject of her illness and associated issues. Kerrie was a remarkable woman who added enormous value to the work I did in my electorate of Eden-Monaro. That was an additional, unpaid job that she did not choose. She was a professional speaker, a corporate MC and author. But she was also a wonderful mother to our children, Ben and Deborah.

As I said at the celebration of Kerrie’s life last Friday week, she had also been my business partner, my travelling companion, my confidante, my closest adviser and my mate. Throughout her life she was also a teacher, an entrepreneur and a businesswoman. She was a highly creative and innovative person, particularly when it came to business. When our children were going to school she wanted a situation where she could be at home when they were home from school. She said, ‘That’s easily fixed. I’ll just create a business that I can work from home,’ and she went about doing it. She did not talk about it. She did not go out looking for support or various other things; she just did it. And she did it quite remarkably, creating quite a number of businesses, including a business that won many national awards for marketing and sales. I think she learned a huge amount through that process. This was in the days when home based businesses were not thought of. I think she was a real pioneering woman in developing that sort of lifestyle so that the children could be looked after as well as having her own professional needs satisfied.

The culmination of many of those businesses was a book that she wrote a few years ago called *Up for Grabs*, which was about business creativity. I still pick that up occasionally and read parts of it. Every time I do read it, even though I read it over and over again as an extra editor for it at the time, I find new little nuances that I did not really pick up before, which is certainly very useful.

One of the things that Kerrie did was instigate some dinners at our place on the odd Wednesday night. A number of members in this House came along to those. She instigated that because she felt very privileged by the fact that I could go home at night when parliament sat. It is a matter that I really did not fully appreciate myself until the former member for Isaacs, who tragically passed away, used to say to me constantly, ‘You are so lucky that you go home at night.’ While I spend a lot of time away from home when parliament is not sitting, it was an aspect that Kerrie really appreciated. That is why she instigated those dinners.

Can I put on the record tonight my thanks for the wonderful support I have had from colleagues from all sides of this House, not only over the last five months but particularly in the last few weeks. That support has been superb. I particularly thank the Prime Minister and the Leader of the Opposition for their kind words a couple of weeks ago, in particular the Leader of the Opposition’s phone call of apology when an unfortunate press release arrived at a similar time to Kerrie’s passing. I also thank the many members who came to her celebration. It really was a celebration of her life, and I thank them for that support. On behalf of my children, Ben and Deb, we thank everybody, particularly my staff, for the wonderful support that they have given over the last five months and the last couple of weeks.

**Honourable members**—Hear, hear!
Neighbourhood Watch

Mrs ELLIOT (Richmond) (9.10 pm)—May I, firstly, extend my condolences to the member for Eden-Monaro. That was a very moving tribute to Kerrie.

I rise tonight to pay tribute to the fantastic work of the local Neighbourhood Watch groups within my community. There are 19 Neighbourhood Watch organisations throughout Richmond, including Tweed Heads Central; Tweed Heads West; Bilambil area; West Banora Point; Palm Lakes Resort; Terranora; Kingscliff; Fingal, which is just starting up again as a Neighbourhood Watch area; Murwillumbah; Murwillumbah Area 14; Condong, Nunderi and Keilvale; Tumbulgum; Chillingham; Bayside; Wardrop Valley; Pottsville; Billinudgel; Casuarina; and Flame Tree Park. They are ably led by local district coordinator and volunteer in policing, Gordon Levenson, and Senior Constable Stuart Crawford.

As a former police officer, I know the value of Neighbourhood Watch. During my time in the police I assisted in setting up Neighbourhood Watch programs and spent a great deal of time meeting with Neighbourhood Watch groups. The program involves the police working closely with volunteers to prevent crime. These volunteers are instrumental in minimising the incidence of preventable crime, increasing the incidence of reporting crime to the police, improving the level of personal and household security, encouraging people to engrave their property for ease of identification if stolen and improving the relationship between local police and the community.

Recently, I had the pleasure of attending the meeting of the West Banora Point Neighbourhood Watch group. Like the other groups in Richmond, they are community minded people who are committed to keeping their neighbourhoods safe. Senior Constable Murray Baker from Tweed police came along and gave a very informative talk on local youth crime and police efforts to address concerns of local residents. Having worked in juvenile justice as well, I know that this is possibly one of the most challenging areas of law enforcement. Senior Constable Baker made himself available to the Neighbourhood Watch meeting to discuss their concerns fully. I congratulate both him and the local area command on the work they are doing to address youth crime in our community.

It was wonderful to attend their meeting and listen to their views on community safety and crime prevention. In conjunction with other groups, they are distributing a newsletter with important safety information. It is vital that the wider community is kept informed and stays alert to the incidence of crime. I know that local police regularly attend Neighbourhood Watch meetings and that their contribution is greatly valued by the local community.

Recently, Tweed/Byron local area command held a community safety forum in Tweed Heads. I was pleased to attend along with 60 people from local Neighbourhood Watch groups and the general community. Local area commander Tim Tarlington was on hand to answer questions and hear the views of the community. It was a fantastic initiative and gave me and our local police an opportunity to hear about community concerns. I congratulate all of those involved.

I would also like to take this opportunity to recognise the local proprietors of the Good Guys. Their support of Neighbourhood Watch in our area is vital to keeping this important community organisation up and running. Through their Tweed Heads South store they are selling ultraviolet pens that can be used to mark personal property. Properly
marking property can be vital in making sure that any recovered stolen property is returned to its rightful owner. Any profits made from the sale of these pens goes to supporting local Neighbourhood Watch groups. I encourage people to support Neighbourhood Watch and help protect their property by using one of these special pens to mark their TVs, videos, DVD players and stereos. I know from my time in the police that having properly marked property can lead to identifying that property if it is stolen and later recovered. It is wonderful that the community is right behind this initiative and that local businesses are assisting as well, in conjunction with the police.

Our local police do a fantastic job and I know that they are committed to working closely with the community. But they simply cannot be everywhere. That is why Neighbourhood Watch is so important and why I have taken this time to recognise its efforts. I know from my time in the police, seeing Neighbourhood Watch groups grow, how effective they can be and how important they are in the community in keeping an eye on what is happening within the neighbourhood. I encourage anyone who is interested in community safety to join their Neighbourhood Watch group and become involved locally to keep their community safe.

Water Recycling

Mr Turnbull (Wentworth) (9.15 pm)—Last Thursday at 3 pm Sydney’s dams were less than 39 per cent full. Decades of neglect of our water infrastructure and decades of complacency have brought our greatest city to the point where it could literally and imminently run out of water. The state Labor government has delighted in talking about green issues and climate change—talking, talking, talking, but doing nothing except practise the art of spin and self-delusion.

The water plan put forward by the New South Wales Labor government last year assumed that the sustainable yield of Sydney’s dams was 600 billion litres. That is already six per cent lower than the current demand. By 2025, it will be 38 per cent less than that demand. But that assumed yield itself is based on a fallacy. It is based on a century’s average rainfall and run-off. Yet we know from the National Climate Centre that rainfall in Sydney in the last five years has been 20 per cent less than it was in the 30 years to 1990. We know that the reduction in run-off tends to be twice the reduction in rainfall. So it is no surprise that in the last five years there has been roughly a halving of run-off into our dams because of this drop in rainfall—a decline seen right across southern Australia. In other words, the assumed sustainable yield from our dams is almost certainly a false assumption.

Sydney Water’s solutions seem to be limited to praying for rain, lowering the level of the pumps at Warragamba so the dams can be pumped completely dry, praying for rain again, plundering more water from the Shoalhaven where the locals are already up in arms, finally doing a rain dance and then talking—but just talking—about desalination. But the most obvious and compelling answer is the one which has been resolutely ignored: recycling. Right now, 450 billion litres, 75 per cent of Sydney’s annual water usage, is flushed out to sea after minimal if any treatment. This has always been environmentally irresponsible, but it is also a colossal waste of water. Sydney recycles less than three per cent of its waste water. Sydney Water is Australia’s leading polluter. It dumps more than seven times the amount of primary sewage into the ocean than any other water utility in Australia. Yet all of that water could and should be recycled.

Recently I visited Israel’s largest waste water recycling plant, a simple operation at
Shaf Dan which recycles 125 billion litres of sewage a year. The resultant grade A water is used for irrigation and other non-drinking uses. While in Israel, I also visited the world’s largest desalination plant. It was common ground there that the cost of recycling is about half the cost of desalination. To the Israelis it was blindingly obvious that the first measure to be undertaken was recycling waste water; that is why they recycle 70 per cent of their waste water. Of course they are not alone—recycling is common and increasing in the United States, Canada and Europe, almost everywhere in the world except Sydney.

The big question, the big mystery, is: why is Sydney Water turning its back on recycling? Many would say it is because recycling has been championed by a private company, Services Sydney, which the New South Wales government has sought to obstruct at every stage of its effort to compete with Sydney Water and so disturb that lucrative state government cash cow. A desalination plant is talked about as though it is something which can be set up and used only when other sources of water run short. The Israeli plant I visited had a capital cost of $A250 million. It will produce about 100 billion litres, less than 20 per cent of Sydney’s demand. The idea that a $A250 million plant could be set up and then only run when conditions require it is ludicrous. Once an investment on that scale is made there will be an irresistible economic imperative to operate the plant continuously. I read today the guidelines for the Water Smart Australia program administered by the Australian government water fund. I noted that one of its objectives is that by 2015, Australia will have ‘reduced ocean outfalls through greater reuse and recycling of water’. There is nowhere in Australia where there is a greater need for the realisation of this objective than Sydney.

National Infrastructure

Ms GRIERSON (Newcastle) (9.20 pm)—I rise tonight to discuss the critical task, both for my electorate of Newcastle and for the nation as a whole, of investing in our national infrastructure. In particular, I would like to remind the House of John Anderson’s recent comments that Newcastle’s Port Waratah was ‘our premier coal exporting port’ and an example of ‘very good practice.’ I could not agree more, though I am surprised to hear praise for our region from a Howard government minister. Newcastle is more used to having its university kicked by the Minister for Education, Science and Training and having its ASIC office closed by the Treasurer, so Minister Anderson’s praise is rare but certainly warranted.

It has been a continuous effort for almost 200 years to turn Newcastle Harbour from a shallow estuary into one of Australia’s major deepwater ports. It has involved among other things the state government reclaiming and merging six islands to make Kooragang Island—a deepwater access complex that now hosts many major exporters. This continuous effort was enhanced by the $700 million spent by Port Waratah Coal Services Ltd to expand export capacity between 1992 and 2002, the $500 million announced by the state government for a third coal loader and the port authority’s plans for increasing the channel depth. This continuous effort now sees around 900 ships loaded each year with a total of 82 million tonnes of coal, making Port Waratah Australia’s largest coal export facility—an outcome achieved in spite of capacity constraints in the coal chain and the huge growth in demand. When demand outstripped capacity, a Port Waratah Coal Services’ quota proposal was approved by the ACCC so that all coal exporters could share equitably in access to the port.
The Hunter Valley Coal Chain Logistics Team achieved a 20 per cent increase in throughput by system planning the movement of coal from the mine to the port. Our local approach is successful because of the cooperative culture that has existed for many years between all regional stakeholders: Port Waratah Coal Services; the mining, maritime and transport unions; Pacific National; Queensland Railways; coalmine owners and operators; stevedores; Newcastle Port Corporation; and the port users group. Now that the federal government has finally located our port on the map, $270 million from its Australian Rail Track Corporation and additional rolling stock investment by Pacific National and Queensland Railways will hopefully increase rail capacity to 102 million tonnes per annum to meet the expanded capacity of the port terminal by 2006. However, with local opinion suggesting that it will take more than $270 million to finance the rail bottlenecks, it remains to be seen whether there will be anything left in the federal treasure chest to properly fund the job. This government’s neglect of its responsibilities is clear when you consider that its share of public infrastructure investment has dropped from 56 per cent in 1998 to 30 per cent this year or when you consider recent estimates that Australia now needs $25 billion worth of investment in infrastructure to make up for that neglect.

It is a shame that, having been woken from its nine-year slumber by criticism from every credible economic organisation in the land, this government’s only response has been to try a hostile federal take-over of the nation’s ports. But would you hand control of your best practice port to a bunch of pirates more intent on plundering than on building for the future? No way. Minister Anderson is right to think that Port Waratah works well, but he is wrong if he thinks his flattery can hide the fact that he has sailed far too late into this debate for anyone to take him seriously. If the government were serious about emulating Newcastle’s success at other ports around the nation and about tackling our nation’s other critical infrastructure needs, it would actually get involved in some real consultation and some real investment. I do not mean the kind of investment that depends—like ‘Admiral’ Nelson’s flagpoles or ‘Captain’ Costello’s GST loot, or Howard’s IR reform—on marching in step with the government’s ideological agenda.

Labor’s approach complements what has worked in Newcastle. It actually involves real consultation with the states and industry and it actually invests real money. Labor’s Infrastructure Australia, an independent statutory authority, would, in partnership with state, territory and local governments and the private sector, develop a blueprint for our future infrastructure needs. Labor would provide real investment through the establishment of Building Australia, an intergenerational fund to enhance the productivity of our economy through investment in priority infrastructure projects. This country desperately needs Labor’s national leadership on infrastructure planning—not the kind of ad-hoc infrastructure piracy attempted by Minister Anderson when he last sailed into Newcastle harbour.

WorldSkills

Mr HENRY (Hasluck) (9.25 pm)—In my previous employment as the executive director of two trade associations, the Master Plumbers and Gasfitters Association and the Master Painters Association—

Mr Stephen Smith—In my electorate.

Mr HENRY—In the member for Perth’s electorate—absolutely. For nearly 20 years I was involved with, and a strong supporter of, WorldSkills Australia, a not-for-profit, independent organisation whose mission it is to promote excellence in vocational training, at
which they excel. At its heart, WorldSkills Australia acts to match the skills provided by vocational education and training providers with the current and future needs of employers and industry. It does so through the provision of exciting and innovative skills based training that challenges and inspires our young people—a program of skills competition that is organised at a state, national and international level.

Indeed, I was very pleased to see the Minister for Vocational and Technical Education, the Hon. Gary Hardgrave, farewell 25 highly skilled young Australians who have excelled in their chosen trade who were off to compete in the 38th WorldSkills International Competition in Helsinki, Finland. Team Australia competed in some 20 trade categories including welding, bricklaying, plumbing, painting and decorating, refrigeration, cabinetmaking and hairdressing. This international skills competition was held from 25 May to 1 June. I am very pleased to have this opportunity to extend my congratulations to all of those young men and women who so ably and professionally represented Australia.

Team Australia excelled at the 38th International WorldSkills Competition. Team Australia walked away from Helsinki with three gold medals, two bronze medals and 15 medallions of excellence. Australia was awarded ‘Best Performing English Speaking Nation’ and retained our ninth place out of the 43 member countries of International WorldSkills Competition. Gold medals were awarded to: Jeremy Gransden, New South Wales, for welding; Jarrad Langdon, New South Wales, web design; and Robert Peel, Victoria, Andrew Moore, Tasmania and Brent Butler, New South Wales, for the manufacturing team challenge. Bronze medals were awarded to: Craig Dearden, New South Wales, for restaurant service and Thomas Walton, New South Wales, for cookery. Medallions of excellence were awarded to: Rebecca Lord, New South Wales, for IT software applications; Anthony Micari, New South Wales, wall and floor tiling; David Robilliard, New South Wales, plumbing; Ben Page, Queensland, electrical installations; Jared Boyle, Queensland, industrial control; Kris Laws, New South Wales, cabinetmaking; Daniel Collings, Queensland, automotive technology; Jonathan Balfour and Simon Mudd, Victoria, landscape construction; Hayden Caine, Tasmania, refrigeration; and Michael Shankster, New South Wales, graphic design. Jarrad Langdon was also awarded the ‘Best of the Nation’ for Australia.

In anyone’s language, it was a fantastic effort and a great performance by these highly skilled and capable young Australians. They are a great credit to themselves, their employers, their trainers and to Australia. I am very pleased that the Australian government provided some $175,000 to WorldSkills to assist the team to compete in Helsinki. This was in addition to the $750,000 recently approved for WorldSkill’s operations for 2005-06.

WorldSkills Australia has announced their intention to bid for the 2011 International WorldSkills Competition. I look forward to the Australian government and all Australians supporting this bid. I had the pleasure of attending one such international competition that was held in St Gallen, Switzerland, in 2003. The 37th WorldSkills competition was all about 1,500 young people from 38 countries coming together to test their vocational skills against each other in an atmosphere of friendly competition. It attracted over 180,000 spectators. In the words of Mr Pascal Couchepin, chairman of the 2003 WorldSkills Patronage Committee:

Young people’s sound vocational training is an indispensable pre-requisite for a competitive economy and a country’s prosperity. Today’s sol-
idly trained apprentices are tomorrow’s experts; they constitute a link between the generations.
He also coined the phrase: ‘A trade in hand finds gold in every land.’ Of course, he is absolutely right, particularly in resource rich Western Australia. WorldSkills Australia has over many years carried out an exemplary job in providing an opportunity for young Australian men and women to showcase their skills locally and internationally. (Time expired)

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 9.30 pm, the debate is interrupted.

House adjourned at 9.30 pm

NOTICES

The following notices were given:

Mr Abbott to move:

That so much of the standing and sessional orders be suspended as would prevent questions without notice being called on at 2.30 p.m. for this sitting.

Mr Georgiou to present a bill for an act to reform the mandatory detention system. (Migration Amendment (Mandatory Detention) Bill 2005)

Mr Georgiou to present a bill for an act of compassion for long-term detainees and others. (Migration Amendment (Act of Compassion) Bill 2005)
Mr Causley took the chair at 4 pm.

APPROPRIATION BILL (NO. 1) 2005-2006

Cognate bills:

APPROPRIATION BILL (NO. 2) 2005-2006
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (NO. 1) 2005-2006
APPROPRIATION BILL (NO. 5) 2004-2005
APPROPRIATION BILL (NO. 6) 2004-2005

Second Reading

Debate resumed from 2 June, on motion by Mr Costello:

That the bill be now read a second time.

upon which Mr Swan moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House condemns the Government for a Budget which:

(1) delivers grossly unfair tax relief which favours the highest income earners at the expense of ordinary Australian families;
(2) ignores the crippling effect of punishingly high effective marginal tax rates on workforce participation;
(3) imposes harsh conditions on the income of the most vulnerable members of the community;
(4) fails to invest in skills and infrastructure disregarding repeated warnings from the RBA and OECD about skills shortages and infrastructure bottlenecks;
(5) exposes Australians to the risk of higher interest rates as a result of capacity constraints and escalating economic imbalances;
(6) predicts a significantly slowing rate of real GDP growth to below the Australian long-term average and considerably below world GDP growth;
(7) confirms continuing unsustainable current account deficits into the future;
(8) predicts a continuing increase in Australia’s foreign debt;
(9) predicts import growth to exceed export growth; and
(10) contains a proposed Future Fund which is focused on offsetting the superannuation liability of Commonwealth employees at the expense of sensible long-term investment in vital infrastructure”.

Ms Burke (Chisholm) (4.00 pm)—When I was here for my stunning three minutes last time I was talking about the disparity of poverty in this world and how this budget was doing nothing to assist that. During the last election a group of charitable organisations held a series of forums and ran an election campaign to highlight the plight of the forgotten people in our society, the poor. The Salvation Army, St Vincent de Paul Society, Anglicare Australia, Australian Catholic Social Justice Council, Catholic Health Australia, UnitingCare Australia, Catholic Welfare Australia, Conference of Leaders of Religious Institutes and Jesuit Social Services—the usual ratbag suspects out there pushing their agenda—ran a campaign titled ‘Vote [1] No More Poverty’. These institutions of impeccable standing in our community,
who do invaluable work, were all saying that there is a crisis—a crisis that needs urgent attention and action now. They are all seeing a massive increase in demand for their services and a growing disparity between the rich and the poor. The demand is for the basics of life: food—the ever increasing need to find food vouchers; housing—assistance with meeting utility bills so that the gas and the electricity can stay on; and support for children to stay at school. The campaign stated:

There are 3.6 million Australians living on a household income of under $400 a week and over 800,000 children living in a jobless household. We are faced daily by the despair that fills their young lives. Australia has the 4th highest rate of poverty in the industrialised world.

We are witnesses to a clear failure to provide fair and adequate levels of full-time employment, education, health, and affordable housing for low income families.

The campaign aimed to highlight the plight of many in our society—many who have not been carried along with this gangbuster economy, an economy which seems to have impacted on the coffers of the Treasury, which has produced jobs and wealth for some but not all and which can justify one man being paid $3 million a year in base salary, his total being $11 million before he takes options, and another being paid $21 million to exit a company he has brought to its knees but cannot find enough to support the most marginalised of our society.

The Vote [1] No More Poverty campaign asked all Australians to address poverty in this country.

... we believe that a National Forum must be held to develop a National Strategy to combat poverty in Australia.

Only a national approach can solve a problem of national proportions. Cooperation, rather than buck-passing between political parties and Federal and State governments is the only way forward. It is crucial that such barriers must be overcome—crucial to the interests of those living in poverty.

We cannot afford to be silent while the children of today grow up to become a permanent underclass. How can we as a nation live with the consequences of this?

That was the request of the campaign. Was that request heeded in this budget? No, it was not. This budget does absolutely nothing to lift those struggling out of their dire circumstances. It provides no hope or support for them and it does little even to help the many institutions that are struggling to fill the gaps left by the government. I quote:

Two nations; between whom there is no intercourse and no sympathy; who are as ignorant of each other’s habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets; who are formed by a different breeding, are fed by a different food, are ordered by different manners, and are not governed by the same laws. [I speak of] The rich and the poor.

So said Benjamin Disraeli in 1845, but sadly it is as true today. There is no understanding of the poor from this government. They see those less fortunate than themselves as shirkers, and so screamed the newspapers the day after the budget: ‘Workers 1 Shirkers 0’. So there has been no progression, no realisation, particularly from this government that it needs to do more for those marginalised in our society. It sees them as trying to avoid work at all costs, wanting to live off the welfare system, gambling, drinking and smoking their lives away. It was not that long ago that the Minister for Health and Ageing made those statements in a national media program. The government wants to demonise the poor, not assist them out of welfare dependency.
Again this budget fails to address severe disadvantage in a systematic way. Instead it is offering tax breaks to the wealthy and reduced benefits to the marginalised. But there is no strategy. Where is the access to affordable housing, employment and educational opportunities and other essential services for the long-term unemployed, for people living in disadvantaged rural and urban communities, for children living in jobless households, for people with a mental illness, for people who are homeless? The list goes on. It is a pity that the government did not use a budget in surplus to address the cycles of disadvantage that see too many Australians entrenched in poverty. Again the government claims this is a reforming budget, one that addresses the welfare to work conundrum. But again the budget is a lost opportunity to break the cycle and structures of poverty that are deeply entrenched in Australian society. This issue has been highlighted in a recent article by Tim Colebatch in the *Age* titled ‘Two-class welfare system is a long-term recipe for disaster’. He said:

> The key fact behind welfare change is that our system splits beneficiaries into two groups. One is those deemed deserving poor, such as those on the aged pension, disability support, and sole parents. The other is the undeserving poor: the unemployed on the Newstart allowance.

For the deserving group, the single benefit is $238.15 a week, and is indexed to rise in line with average earnings, which grow by 4 to 5 per cent a year.

For the undeserving group, the single benefit is just $199.65 a week, and rises in line with consumer prices. These rise by just 2 to 3 per cent a year—half as fast as wages.

Those aren’t the only differences between the two. Those on disability support or the age pension who get a job are allowed to earn far more while keeping their benefits than those on the dole ... Those on the higher benefits face no work test. But on the lower benefits, you are required to look for work—and if you miss a job interview, for example, you lose benefits.

The Government’s welfare changes ... in essence ... will work by shifting people from higher benefits to lower ones, mostly below the poverty line. Ministers believe this privation will make people capable of working go and get a job.

And that is what this budget has done. As a stark example of how bad things are getting, Victorian Relief, the state government food bank, has recently announced that it will have to charge for the distribution of food to charities because it simply cannot keep up with the demand and must augment its spiralling costs. Four years ago Victorian Relief was delivering $1 million of goods to the charitable sector; this year it has just gone over $6 million. The demand on its services is huge. Food banks are also now having to produce more stock as that donated by manufacturers has fallen by about 40 per cent as improved manufacturing processes see less wastage from business. This situation, of course, has seen charities in my electorate concerned they will not be able to keep up with demand from the poor in our society. Syndal Baptist Food Bank has helped 280 families so far this year. This is up 100 per cent on last year’s figure. You have to bear in mind that my seat is described as the leafy green suburbs—obviously not as salubrious as some, particularly some on the other side of this place, but it is considered a fairly liveable and comfortable middle-class area—where we are seeing people struggling. We are seeing people in Chisholm in real need. The St Vincent de Paul Society in a submission to the poverty inquiry in 2003 said:

> Regrettably, consideration of solutions to the rich/poor gap has for too long been distracted by arguments about where to draw the line in the sand, the absence of political will to even address the known problem, and stop gap measures such as Welfare Reform. These distractions, combined with the dehu-
manisation of the poor and disadvantaged, have allowed decision makers to avoid addressing national strategic planning to begin to solve the problems of poverty.

It is remarkable how these words, said in 2003, are so eerily repeated in this budget. Measures such as welfare reform and not strategic planning are again the mantra. How will removing $20 a fortnight from a single mum improve her circumstances in life? How will breaching her if she finds a bar job but no child care for her kids assist her out of the poverty cycle? How will slashing millions from the Job Network see her getting the training and reskilling needed to enable her to re-enter the work force after many years looking after her children? And why do stay-at-home mums with partners intact get paid to stay at home while single mums are forced back to work? Answer me that riddle. The budget will slash $77 a fortnight from disability pensioners. How is this going to help them break the cycle of welfare dependency? How are those in our society in need of extra support going to achieve their desire for a full life with a disability when the government cannot even reach its own target on employing people with a disability?

There is strong evidence of the benefits to business of employing a diverse work force. People with disabilities, as employees, take less sick leave, stay in the job longer and value their work more than their non-disabled colleagues, yet in the decade since the introduction of the Disability Discrimination Act there has been no real progress in the economic participation of people with disabilities. The unemployment rate for people with disabilities is twice that for the rest of the community. At a time of high economic growth, the Australian government’s investment in assisting people with disabilities to secure employment is less than the OECD average. Further, ABS figures estimate that between 11.8 per cent and 15 per cent of the Australian work force has a disability, yet the percentage of federal public servants with a disability has fallen from 5.8 per cent to three per cent during the time of this government.

Why has the government delayed the training and employment measures announced in the 2002 federal budget? Why has the government failed to implement a key finding of its employer incentive strategy to develop a public awareness campaign aimed particularly at employers to encourage them to hire people with disabilities? What steps are being taken to increase the participation of people with disabilities within the federal public sector? The answer is not a lot. Yet again, there was nothing in this budget that will actually go to address these measures.

This budget is not smokes and mirrors; it is very clear political bias—bias of support for those with wealth and biased against those without. A recent article by David Wroe in the Age highlights the contempt and folly of this government’s budget:

Nearly 400,000 Victorians, including 120,000 children, live in poverty, according to Commonwealth figures that show huge wealth disparities across Australia.

Despite 14 years of unbroken economic growth, nearly one in 10 Australians lives below the poverty line, which is set at half the average disposable income.

Australian Council of Social Service president Andrew McCallum said the wide geographical disparities highlighted the folly of the Government’s push to get people off welfare and into work.

“The Government should take note of this report and understand the demographic and geographic aspects of poverty rather than just using a great big stick for everyone,” Mr McCallum said. “This
shows where the Government should put infrastructure for job creation. Poverty goes with high levels of unemployment, and these places are so bereft of jobs.”

More than 500,000 Australian children and almost 1.7 million Australians, or 9.3 per cent of the population, live in poverty.

So, instead of saying, ‘Here is a big stick,’ what the government needs to do is very clearly articulated in a very good paper put out by the Parliamentary Library that says poverty is actually entrenched in postcode. Why are we not doing something to assist those areas? The budget will entrench this divide between the haves and the have-nots when the tax cuts take effect. An article in the Canberra Times cites work by Dr Andrew Leigh, an academic at ANU, who has found that the richest five per cent of households will receive 19 per cent of the benefits from this budget. So five per cent are getting 19 per cent of the benefits. Since when on these issues were oppositions not allowed to vote against government initiatives? The answer is pretty simple: when governments get control of the whole show. Obviously, oppositions are meant to just step aside and not say anything, and that seems like the rational debate we are having now. It seems a lot like what goes on in totalitarian regimes where dissent is not encouraged.

Where does this leave the budget’s ability to help the Howard battlers? It does nothing for them. Indeed, it entrenches the division and makes it greater. A recent report by the St Vincent de Paul Society, released just after the budget, describes the reality of income inequality in Australia and makes compelling reading. The report states:

Official ABS Household Income Data shows that over 8 million Australians (42% of the population) have an equivalised disposable income of less than $21,000 per annum. Of these 8 million Australians, 4.5 million of them (23% of the population) are in households with an aggregate income of less than $400 per week.

This is in stark contrast to the government’s statement, based on NATSEM’s modelling, that they have increased the income of low-income households, who have enjoyed the strongest private incomes over the period that they have been in government. I do not think this holds true on the ABS data. The report also finds that, while the government purport to have helped those in need through welfare redistribution, a lot of this is actually going to middle-income households at the expense of those in crisis. The report from the St Vincent de Paul Society concludes:

We can choose the current headlong dash into the chasm of inequality, the gap that lies between the rich and the poor, our own “two Australias”. If governments deny that we even have a problem or that we can work towards a solution, then growing numbers of our people will be consigned to the “other Australia”. They will be abandoned to market forces that, left unchecked, can only further entrench the outcomes of inequality and unfairness. If governments refuse to do what the market cannot, this course is guaranteed.

On the other hand, we can choose to face the problem. We can choose to mobilise all levels of government towards producing a solution. International evidence is unambiguous in demonstrating that domestic policy settings are able to achieve this. Professor Peter Saunders of the University of NSW Social Policy Research Centre has estimated that it would cost only 2% of our GDP to lift all Australians out of poverty, concluding that:

“We can thus pay to remove all Australians from poverty if we want to: the fact that we don’t do so is a matter of choice, not affordability.”

If however we choose to do nothing, we assist the unfettered growth of injustice and want.
This budget does nothing. In fact, it entrenches the poverty, the distinction. It does not help those most in need. We need to see vision—a dangerous word, I know, in this place; vision, because the government of the day has the means. It just does not have the desire to help those in most need.

Mr TURNBULL (Wentworth) (4.17 pm)—There is no developed nation, not one, which is better positioned to deal with the economic and social challenges of this century than Australia. We have almost completely eliminated federal government net debt—$96 billion of Labor’s debt has been paid off. Not only are the Howard government no longer imposing new liabilities on our children and grandchildren but also we are putting aside the surpluses of today to meet past liabilities for which no provision has been made. The Future Fund, a central feature of the budget, will ensure that our children and grandchildren do not have to pick up the tab for the Commonwealth’s single largest liability—its unfunded superannuation obligations to its employees, amounting in present value to $91 billion. This is such a responsible and prudent move that it has been quite properly widely applauded—but not by the Labor Party. Not content with racking up huge debts while in government, now while in opposition they object to them being provided for. The member for Melbourne, for example, made a rambling critique of the Future Fund, the gist of which was hard to distil, but his alternative was to say:

The money should be given back to taxpayers and in the most effective way, which is into individual occupational superannuation accounts. That means that the money would go to investment and not consumption.

The Future Fund is all about investment. It constitutes a massive exercise in saving. Instead of having a government which ran up deficits and imposed on successive generations the responsibility of paying off the price of its own extravagance, we have today a government which is not only running surpluses—saving, in other words—but relieving future generations of existing liabilities. Some critics of the Future Fund, including the member for Melbourne, have argued that this amounts to prepaying future liabilities. But these superannuation liabilities for Commonwealth public servants are as real as any liability of the Commonwealth, and now they are being provided for. I am not aware of any other comparable nation which is being managed so responsibly or so prudently. Other OECD nations, such as the United States, are running large budget deficits and, of course, some of our OECD colleagues are running enormous budget deficits.

Labor’s criticisms of the tax cuts in this budget were a reversion to the envy based class warfare of old Labor so beloved of their former leader, Mr Latham. The honourable member for Chisholm, who preceded me in this debate, quoted Disraeli and said that nothing had changed since 1845. One may as well have said 1345 or 45 AD. Glaring at the world through a skewed and bitter prism of resentment, the member for Chisholm and some of her col-
leagues will always present the Liberal Party as governing for business and for the wealthy. But the facts tell a different story.

In 1996 the top 20 per cent of taxpayers paid 53 per cent of the total personal income tax take. In 2003 they paid 57.6 per cent. So much for governing for the rich. The top 20 per cent are paying a bigger share of personal income tax today than they did under Labor. What about growth in average weekly earnings? Average weekly earnings were $328 in March 1983, $664 in March 1996 and $976 in December 2004. If you convert all of those into 1990 prices, the 13 years of Labor saw average weekly earnings increase by 4.76 per cent, yet in the nine years of the Howard government real incomes of Australian workers on average weekly earnings increased by 19.35 per cent. In other words, nine years of coalition government have delivered more than four times the growth in real income for people on average weekly earnings than did 13 years of Labor.

So who have been the winners in the Australian welfare state under the Howard government? There can be no better authority than Professor Ann Harding of NATSEM. Her work demonstrates that in the Howard years there has been a significant shift in resources from the top 20 per cent of income earners to the bottom 60 per cent. The highest growth in private household income from 1995 to 2003 was in the bottom two deciles. For example, as is set out in the budget papers, between 1996 and—

Ms Hall—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the member for Wentworth willing to accept a question?

Mr Turnbull—Yes. But does that foreshorten my time?

The DEPUTY SPEAKER—It does a little.

Mr Turnbull—Okay. I have not experienced this before.

Ms Hall—You were quoting Ann Harding’s figures. Would you explain the difference between what Ann Harding is saying and what St Vincent de Paul are saying in their recently released study?

The DEPUTY SPEAKER—The question has to be succinct.

Mr Turnbull—I have not seen the St Vincent de Paul study, but NATSEM is the premier economic modelling institute and the numbers I have quoted are straight from their presentation to the Melbourne Institute conference. For example, between 1996-97 and 2006-07 a single income couple on average wages with two children will have had a 30 per cent improvement in real disposable income. The point at which tax paid by such a couple exceeds benefits received will have increased in real terms from $33,931 to nearly $45,000. So, when John Howard says the coalition government is the best friend the Australian worker ever had, no amount of catcalling, huffs of indignation or quotations from Benjamin Disraeli can contradict the simple economic facts of the matter.

There can be no wonder that Labor’s efforts to make a case that the tax cuts are unfair because they give greater cuts to higher income earners has failed to draw any public support. Australians are not as stupid as the Labor Party would like them to be or would encourage them to be. Higher income earners pay the largest share of income tax. For example, in 2003 the top 3½ per cent of taxpayers paid more than 25 per cent of personal income tax. If gov-
ernment has an ability to return a portion of a surplus to taxpayers, it is inevitable that the largest beneficiaries of that tax cut in dollar terms will be those that have paid the most tax. After all, it was their money in the first place.

One of the stark differences between our side of politics and those on the other side is that we respect the fact that every dollar and every cent which this parliament raises in income tax is somebody else’s money which has been appropriated from him or her by force of law. It is not the government’s money. The government has so little right to spend that money that it has to pass an appropriation bill every year.

We live in a highly competitive world. The most valuable and most competitive capital is not financial but human capital. Taxes are a cost to business and to families. Every dollar taxed carries a cost over and above the amount of the tax. It acts as a disincentive to invest, to work longer hours and to be more productive. Of course, when those tax dollars are spent they should generate a benefit at least as great as, and hopefully greater than, the disadvantage. But there is a cost associated with every dollar of tax. It obviously acts as a disincentive to live and work in countries or regions where tax is high.

Last week I was in Boston and met with members of Advance, the new organisation set up at the initiative at our Consul General in New York, Ken Allen, to link up members of the Australian diaspora. What did they cite as the principal obstacle to their returning to Australia? The high rate of tax. The OECD’s December 2004 survey of Australia identified a number of areas requiring further economic reform. It said:

Commendable progress has been made towards reforming the tax system but issues remain. What were those issues? They included the relatively low-income level at which the top marginal rates cut in. The OECD recommended that the priority for tax reform should be the raising of that threshold to a more competitive level. Instead of our top marginal rate cutting in at about 1.2, an average production worker’s earnings, it will cut in from next year at about 2½ times the average production worker’s earnings. That is a significant improvement both in absolute and relative terms. As the budget papers show, it puts Australia in the middle of the field—but only in the middle—both in terms of the threshold and the top marginal rate.

It must be noted, however, that these OECD averages and comparisons are rarely weighted. European countries—many of them small—represent 76 per cent of the OECD by number but only 35 per cent in terms of the total OECD GDP. There are in reality three OECDs: Europe, where taxes are relatively higher; the Pacific, dominated by Japan, where they are lower; and North America, dominated by the United States, where they are lower still. The majority of the OECD GDP naturally consists of the United States and the Japanese economies.

Those who feel the tax cuts in this budget have gone too far have got to ask themselves this question: do we want our tax regime to be competitive with Luxembourg and Belgium or do we want it to be competitive with our major trading partners, in particular the United States, which is overwhelmingly our major competitor in the contest for talented human capital? Our new thresholds, while higher, remain significantly lower than those of the United States and Japan, not to speak of other Asian countries. So the notion that this is a radical budget, a budget which dramatically rewards the higher income earners at the expense of the less well off, is simply not borne out by the facts—facts which show that people on lower levels of income have seen their disposable income improved, both absolutely and in relative terms, dur-
ing the nine years of this government and of course by comparison with those in other similar
or comparable economies.

The other matter the OECD recommended for urgent attention in the field of taxation was
high effective marginal tax rates. This term is somewhat of a misnomer as it suggests it is
largely a function of tax. Effective marginal tax rates measure the sum of income lost to the
government—in effect, surrendered to the government—by a taxpayer for each additional
dollar in tax paid and benefits withdrawn. High EMTRs—in some cases as high as 80c in the
dollar—operate as a disincentive to work, especially for people working part time who are
contemplating undertaking additional hours. It has to be said that they are an inevitable con-
sequence of means tested benefits. The only way to eliminate EMTRs entirely would be to
remove the benefit entirely or to remove the means test. Clearly that is an issue that has to be
dealt with, and it has been addressed in this budget.

The introduction of the new tax system had already reduced EMTRs through changes in
marginal tax rates and increased tapering of family tax benefit part A as well as selected pen-
sions. The changes proposed in this budget will help to further reduce the problem of high
effective marginal tax rates by firstly lowering the tax rate and spreading the range of the
EMTR profiles. The proposed budget changes will lower the actual level or rate of EMTRs
through, firstly, the reduction of the 17 per cent marginal tax rate to 15 per cent and, secondly,
the reduction of the taper rate for Newstart allowance, youth allowance, widows allowance,
partner allowance, mature age allowance and sickness allowance. For every additional dollar
earned over $250 the maximum taper rate is proposed to be reduced by 10 per cent to 60 per
cent. Finally, reduction of the taper rates for students receiving youth allowance, Austudy and
Abstudy will also take effect. The maximum taper rate is proposed to be reduced from 70 per
cent to 60 per cent.

Several measures in the budget also more equally distribute the range over which the
EMTRs are applicable. This has been done by increasing the income threshold for the Medi-
care levy to $15,902 for individuals and $26,834 for families, increasing the income threshold
for the Medicare levy to $19,252 for pensioners below age pension age and extending the in-
come range of the 50 per cent taper rate for Newstart allowance, youth allowance, widows
allowance, partner allowance, mature age allowance and sickness allowance. The income
range over which the 50 per cent taper applies is proposed to be increased from between $62
and $142 to between $62 and $250. Combined with the changes to the maximum taper rate, a
lower taper rate extends over a larger income range and the maximum taper rate accordingly
begins later in the income distribution. The income threshold for family tax benefit part A is to
be increased from $33,361 to $37,500. Low-income families will be able to earn an additional
$4,139 before their family payments are affected.

Changes to the taper rates and income thresholds for various benefits are consistent with
the view that changes to the social security system itself—changes to welfare and the way in
which welfare benefits are withdrawn as income rises—rather than adjusting marginal tax
rates, are required to make an effective or substantial reduction in the incidence of high effec-
tive marginal tax rates. These reforms, which are consistent with the government’s objectives
of promoting greater productivity and participation in the workplace, exclusively benefit those
on lower incomes and benefits. They are yet another example of the way in which the gov-
ernment is delivering real benefits to all Australians but in particular Australians on lower
incomes—yet another example of why the Howard government is truly and factually the best friend the Australian worker has ever had.

Ms GRIERSON (Newcastle) (4.45 pm)—I rise to speak on the appropriation bills. I support the Labor amendment moved by the shadow Treasurer, the member for Lilley. These five bills constitute the estimates bills for 2005-06, most of which provides for the ordinary annual services of government. The total appropriations under these bills are $55 billion. But this is the annual budget that has an overriding function—that is the setting of fiscal policy appropriate to the current state of the economy and the desired long-term state of our national economy. So if this budget were fiscally responsible then it would be very clear that the Treasurer and the government well understand the state of Australia’s economy and were responding accordingly.

Let us look at the state of the economy right now. Firstly, I guess every Australian would like to know whether our nation is in the black or the red. The government would say we have a surplus, so we must be in the black. But let us look below the surface. The reality is that foreign debt is the highest ever recorded, surging in the last quarter to $425 billion. That is actually half the size of our economy. That means that our annual interest bill on our gross foreign debt is $20 billion. What is the picture for average Australians? They are in debt too. The household savings ratio fell from 5.6 per cent in 1996-97 to minus 3.3 per cent in 2003-04. That savings ratio shows no sign of improving. Household credit debt at September 2004 was worth $28 billion with banks now gaining more revenue from credit card fees than from mortgage interest fees. In fact, Australians today owe more on their mortgages and own less of their houses than their counterparts of 20 years ago and owe far more than Australians 20 years ago could ever have contemplated.

As a result of the housing boom of 2003-04, Australians increasingly use equity loans on their mortgages to fund their consumption. That boom, which saw an increase in the rates of housing loans, in turn reduced household and national savings and also diverted investment into housing rather than the share market, reducing investment in manufacturing and services for exports. In effect, household and private investment in the housing boom contributed to the current account deficit, with banks having to increase borrowings from overseas to meet that demand for loans and, in turn, adding to our capital account surplus and our net foreign debt.

Looking at the overall picture, Australia now has the highest current account deficit it has ever had. Despite the commodity boom and record commodity prices of the past, in the March quarter the current account deficit stood at $15.6 billion or 7.25 per cent of gross domestic product—reflecting the latest figure of 41 consecutive trade deficits. It is also of concern that imports of capital goods fell by a value of $409 million in the March quarter but that imports of consumption goods soared five per cent or a value of $575 million. So Australians are still spending on cheaper imported goods in what some economic analysts speculate is the Gregory effect in operation. I predict that will continue while Australians continue to buy cheap imported goods at this rate. Certainly our local economy cannot keep up with that demand and consumers will have to turn somewhere else. I assume the economists are right in saying that the Gregory effect will remain, and that will certainly require radical changes in our economic policy.
The trade performance is critical to our national wealth, but under Howard our share of exported global services has shrunk by a third. Growth in exports of advanced manufactures has been just four per cent in seven years. World freight rates are plummeting, suggesting that China’s economic growth is beginning to slow. And, unsurprisingly, business confidence and investment dived from a 30-year high to a serious state of anxiety. With a third of the profits from minerals exports being sent overseas through royalties paid to foreign owners, the net current account deficit does not look like improving in the near future. So on the debt front the economy is not looking so good. Perhaps the government would say that growth is being sustained. That surplus is real, but one would have to ask: how sustainable is it?

The fact is that our economy is slowing, recording this year the worst productivity growth in 19 years. GDP of 1.9 per cent is not reassuring, with some economists suggesting that the Reserve Bank of Australia was overly optimistic when it said, at the March hearing of the House of Representatives Standing Committee on Economics, Finance and Public Administration, that Australia would have to get used to growth figures beginning with two or three per cent. We wish! What is also emerging is divergence in the national economy, with some states—particularly Western Australia—showing growth whilst others, particularly the most populous states of New South Wales and Victoria, are showing a significant slowing in growth. It seems we are riding on the commodity and resource back with very little to replace it should the resource boom slow down.

Business investment fell by 2.6 per cent in the last quarter and retail sales flattened in March and fell in April, with department store sales registering an alarming 11 per cent fall in April. Housing sales continue, with no sign of a crash fortunately, but the pace is slower and house values have dropped. It is evident that an interest rate adjustment in March had a profound effect. So the Reserve Bank thinks it has done its job, but it had lots of advice for the government on fiscal policy. Although growth is still evident in some parts of our economy, there is mounting evidence to confirm the general slowing.

With these economic indicators showing restraint in growth, it is important that government look at what is constraining our economy and do something about it through economic reform and fiscal policy. The Reserve Bank, in its March presentation, made it clear that monetary policy was a limited tool in economic management and strongly suggested to government that it should be responding to the infrastructure, skills and work force problems and shortages which it identified as contributing to supply constraints.

So how did the budget do on those fronts? Let us look at infrastructure. Despite this budget coming off the back of record terms of trade, record high commodity prices and record high minerals and petroleum exports to China—and despite the unexpectedly strong revenue growth which comes from these factors—it failed to invest in long-term productivity improvements. The week after the budget, the OECD reported in its 77th economic outlook: Supply constraints and transport bottlenecks seem to have held back commodity exports.

The OECD report followed the release of the DHL Export Barometer on 24 May indicating that 27 per cent of Australian exporters considered infrastructure capacity constraints a negative. Of course, that has been reinforced by the Business Council of Australia, the Australian Industry Group, the Productivity Commission, CEDA and Engineers Australia. I think everybody has had their say on it; it is just that the government has not been hearing them. They
have been calling for sustainable improvements to freight, exports, and to water and energy supply, citing the need for those to be consistent and affordable to increase productivity.

But the Howard government was silent on infrastructure, despite the Reserve Bank warning on 11 separate occasions since May 2001 of the negative impact that infrastructure capacity constraints are having. Under pressure, the Prime Minister finally announced the formation of an exports and infrastructure task force and has released its findings. I do not think it told us anything new. We await the detail of this report, but it is unbelievable that the Prime Minister can assert, as he did, that there is no crisis with Australia’s export infrastructure. The Prime Minister says that most of the problems causing bottlenecks are with regulation rather than any physical aspects of our infrastructure. Apparently this government believes that if you get the regulation right everything will be fine. That is not what business is saying. Yes, regulation is brought into play—as it was in the port of Newcastle—when things are difficult, when there are physical and capital constraints. At times regulation has assisted. In our case, the ACCC assisted the local providers of services and the users of those services to find an equitable way of getting the best out of a very limited system. But that will not replace long-term improvements.

Labor offers Infrastructure Australia, an initiative that offers a coordinated and objective approach to the long-term planning and development of nationally significant infrastructure: planning and development that we need after nine years of neglect. In my electorate of Newcastle, we had a wish list for infrastructure. Certainly, we wanted to see more funds given to the ARTC, the Australian Rail Track Corporation, to improve the coal and freight trains. We know that there was an increase, but speculation and rumour in our community says that it will not be enough. We are having major problems, and those problems will only be set right if the funds are forthcoming. We also have seen major growth in our regional airport. The transport links from that airport, both road and rail, are significantly deficient—another infrastructure need towards which we would like to see some contribution from government. Unfortunately, it is not even on the radar.

We were pleased to see some improvements in the budget for Newcastle’s broadband access. No business can flourish without access to IT. And, of course, we would have liked to see a $20 million commitment to complete our stadium. But those things did not happen. In looking at infrastructure as a constraint, let us say: ‘Okay, we have been very focused on commodity. What are we doing, in case that commodity boom ends, to increase our exports and to lower the current account deficit? What are we doing about manufacturing something particularly important to my electorate?’ Unfortunately, the budget contained no substantial investment for the future of Australian industry. The government knows that our manufacturing sector urgently needs support to boost skills, promote innovation, improve transport infrastructure, and build export markets and market share. But this budget had nothing to say about those matters: nothing on innovation, nothing on research and development.

The release of the Australian Industry Group’s Australian performance of manufacturing index again illustrates the Howard government’s economic complacency and its disinterest in Australia’s manufacturing industry. The PMI figures revealed the lowest May level of manufacturing activity in three consecutive years, with the chemicals, petroleum and coal products, and fabricated metals sectors all recording slow growth throughout May. In fact, production declined in six sectors, including textiles, clothing and footwear; wood and wood products;
furniture; and paper, printing and publishing. In the past four years, manufacturing has reduced its share of GDP by one per cent. The Australian Industry Group Chief Executive, Heather Ridout, has echoed those concerns:

An upturn in Australia’s manufactured exports is desperately needed ... export underperformance is a major public policy issue that needs to be addressed.

If this budget and this government’s appalling record in manufacturing is anything to go by, Australian industries should not hold their breath waiting for a commitment, let alone action, from the Howard-Costello government.

Similarly, the call for investment in skills, education and knowledge is something that will also have to wait. R&D is seen by this government as a luxury item, apparently, rather than part of knowledge infrastructure. Its neglect of universities and TAFEs has been so significant that I note today that the Minister for Education, Science and Training said he may have to assist universities through financial experts to bail them out of their problems. Given that six out of 10 universities in New South Wales are in the red, I am not surprised that they may need some assistance. I hope that comes soon. Other countries are certainly passing us on the knowledge front: Singapore, India and China all invest much more than we do in education, skills and training. The OECD says our investment in knowledge has dropped compared to most other developed nations. While other countries are investing, we are making it more difficult for universities, students and their families.

Labor’s policy was to assist apprentices. We would have liked very much to see that in my electorate, where the teenage unemployment rate is 30 per cent. We would also have liked to see a policy that matched Labor’s additional 4,000 training places for year 11 and 12 students, with a $1,750 per student loading to schools. But apparently the approach to the skills shortage that the government plans is to import more workers from overseas, because that is all we saw in the budget: an increase in the intake of skilled migrants. Despite some investment in skills training, the government’s proposals do not put a single new skilled graduate into our work force until 2010.

In Newcastle, we certainly were looking for more improvements on the education front, the knowledge front. We would have liked regional status to be granted to the University of Newcastle. As up to 600 people face loss of their jobs, we would have liked financial assistance for our university and targeted programs for youth—specific locally based programs providing local solutions. We also would like to have seen retraining incentives for people who have left the work force or cannot get jobs, particularly those who were once trained in priority skills areas.

The other thing that was important in this budget was Welfare to Work and work force participation. The Reserve Bank has made many comments about the need to increase participation in the work force, but again all we saw from this government was an attempt to move people to cheaper welfare under the guise of Welfare to Work. The targets were sole parents, people on disability support pension and women, who got a particularly hard approach from this government.

I wonder sometimes, when I look at the budget and at who benefited most, whether members opposite have any idea what it is like in most electorates in Australia. Newcastle is what is called an average electorate. It sits right in the middle of average income. In my electorate almost 3,000 people are sole parents and more than 7,000 people are on the disability support
pension—we rank as having the seventh highest number of DSP recipients in Australia and the second highest in New South Wales. Over the time I have been here, I have researched how many people with a disability the government employs in my electorate. With more than 14,000 people with a disability who are of working age in my electorate, the Commonwealth employs just 57 persons—that is, less than 0.4 per cent. If this government is serious about helping people with disabilities into the work force, it should take the lead and start employing more people with disabilities in federal government departments and agencies.

This budget had a particular approach to women. If I were a highly skilled GP with a husband supporting me and I decided to stay at home, that would be fine. I would be rewarded for that and would get an allowance. But if I were a sole parent trying to do the best for my kids, once they turned six that would be it and I would be out in the work force. There is some rather disgraceful hypocrisy in this approach.

The one big area of the budget that perhaps the government would claim is very competitive, saying that it will increase competition in our country, would be taxation. I have been quite amazed by the media frenzy and the approach to Labor’s stance on these taxation cuts. One would think we were cutting supply, although I do not recall that happening for some time—it was the government that thought it was okay to block supply. All we are trying to do is to give a decent and fair tax cut to the majority of Australians, increasing it from $6 to $12. Yet the media and the government see it as absolutely untenable that we might try to amend or improve their approach to taxpayers, even though our spend would be very much the same and would result in 7.4 million Australians getting twice the tax cut—the same people who, in the last six years will have received, with this tax cut, $10 in total. The government say they have given lots of hand-outs and, yes, they have, but if you do not have children there was nothing in it for you—there still is not anything for you. The majority of the staff in this parliament who work for members of parliament do not have children. They are going to get $6 a week, while we, their employers, are going to benefit in what is a greedy initiative and one by which Australians are quite appalled.

I absolutely support Labor’s stance on the government’s tax cuts. We should certainly oppose them and try to amend them. It is up to the government to change their position so that they do give $12 to taxpayers around Australia instead of punishing people by giving them just $6. Clearly, this budget did not deliver fiscal policy that would sustain our economy for the future. Clearly, this budget was a bit of a tussle between two people vying for leadership of the Liberal Party and it rewarded many of the people who will vote for them in a leadership contest. It certainly rewarded the people who might donate to their political aspirations. This was a budget that certainly failed my electorate of Newcastle. It can only disappoint all economic commentators who would say, ‘When is this government going to respond to the supply constraints in order to sustain our economy’s growth and perhaps sustain prosperity for all Australians?’

Mr NEVILLE (Hinkler) (5.05 pm)—I would like to take this opportunity to talk about our health system, not just about what the Australian government is doing to enhance services we are responsible for but also about the parlous state of Queensland health. I realise that this is a bit of a departure from what members normally do in speaking in the debate on the appropriation bills. I sacrifice other matters in this my budget speech because of the gravity of the situation and the emphasis that I want to place on the issue.
Given the horrendous results of the surgical procedures performed by Dr Jayant Patel at the Bundaberg Base Hospital, it should come as no surprise to members that I have been speaking on this matter of public health services for quite some time now, both publicly and in this place. I have told the House of the appalling situation which has emerged at Bundaberg Base Hospital, responded to local letters to the editor, attended public meetings on the issue and spoken to some of Dr Patel’s former patients as well as to some nursing staff. Today I am putting to the Queensland government, the health minister, Queensland Health and its administrators of the Bundaberg Base Hospital that they are on notice to clean up their act or face the continued and well-deserved wrath of the general public.

Some of the revelations which have emerged from the Morris royal commission of inquiry are almost unbelievable: the public servant who signed off on a one-way flight for the errant surgeon, letters of commendation sent days after his negligent actions had become apparent, a minister who tried to keep hospital staff quiet, and the government which tried to spin its way out of trouble rather than listen to whistleblowers and the long-suffering patients.

The general public has quite rightly identified the Beattie government as allowing, if not fostering, a systemic framework in which more than 80 deaths associated with Dr Patel were allowed to occur. I am horrified by the botched oesophageal operations which led to death, by the cases of people entering for simple procedures and dying a few days later and by the refusal to send patients at risk to Brisbane—this, I might add, in a town which has its own aerial ambulance. It is not as if it is a big effort: 10 minutes up the road from the hospital you can be on a plane to Brisbane and possibly within a hour and a half to two hours you can be in Brisbane hospital. I am horrified also by the loss of Barrie Johnson, a former tourism colleague of mine—as you know, Mr Deputy Speaker, I was in regional development before I came into this place. His loss was a very sad event for his wife, Cheryl, and his friends.

But the cavalier arrogance of Dr Patel reached its high point when a junior doctor was told to turn off a life support system. I find that horrifying, and I will tell you why. At that stage, brain death had not been established; nor, to the best of my knowledge, had the family been consulted. When the patient’s doctor returned from a break, the life support machine had been turned off and the guy who had been in the bed was gone. That is horrifying. That is not mercy killing; that is convenience killing. To my way of thinking, that was one of the worst things to emerge from this whole exercise. It showed the depth to which that hospital could have sunk if Dr Patel had stayed on any longer.

It is also interesting that, not content with initially blaming the National Party member for Burnett for Dr Patel’s escape—it was the member for Burnett, Mr Messenger, who blew the whistle in the Queensland parliament—the Beattie government has, I suspect, pulled strings to create a barrage of criticism which has hit Mr Messenger since he raised the matter in the parliament. In fact he was absolutely vilified for the first 48 hours. But, of course, as this agenda started to roll out, all of a sudden people were rushing for cover. Even worse than that, it has since been revealed that the ALP member for Bundaberg—the adjoining seat—though earlier denying it, was aware of complaints against Dr Patel two years ago. The Acting Speaker of the Queensland parliament ruled that she—

Mr Danby—I seek to intervene.

The DEPUTY SPEAKER (Mr Wilkie)—Is the honourable member seeking to ask a question?

MAIN COMMITTEE
Mr Danby—I am.

The DEPUTY SPEAKER—Is the member for Hinkler willing to take a question?

Mr NEVILLE—Certainly.

Mr Danby—Wasn’t a public inquiry called by the Queensland government and didn’t the public inquiry suggest that there would be murder charges brought against Dr Patel?

Mr NEVILLE—The royal commission has said that murder charges should be brought against Dr Patel but an inquiry was going on by a Queensland doctor at the time that Messenger brought up his complaints. Messenger had to weigh up whether he wanted to wait for that inquiry to come out or whether he would stop Patel in his tracks. He chose to stop Patel in his tracks, and happily so because, if he had not, God only knows how many more people would have died before that earlier inquiry came to light. So it was certainly a very serious matter.

The Acting Speaker of the Queensland parliament ruled that the member for Bundaberg should not be disciplined for her actions or lack thereof. Why did Mrs Cunningham launch this vicious attack on the member for Burnett and imply that Bundaberg had lost a good doctor if she knew that Patel was under a cloud? How many people were maimed by the doctor while those who had a duty of care closed their eyes to his most dangerous practices? Staff with genuine complaints were simply not listened to. Initially, even the AMA came blindly to Dr Patel’s defence. The AMA state president was defending him for a few days, I might add, and then changed his position completely.

Quite clearly the issue is wider than the doctor involved. It goes to the nature of public health administration in Queensland: a culture of silence through fear and intimidation in Queensland Health, the sloppy practices of the Medical Board of Queensland, the absence of adequate complaint procedures, and the denigration of many competent and dedicated nursing and medical staff who wanted to raise these matters. The new President of the AMAQ, Dr Steven Hambleton, said as much last week. When responding to the Patel fiasco he said:...

...I think it’s really an indication that this is what happens when there’s government interference in the standards of medicine. They ... can’t be trusted.

His statement backs up my belief that a health system that is top-heavy with bureaucrats will eventually tip over, and that is exactly what happened here. At the start of the year the national Productivity Commission released figures which support my argument. Its report showed that Queensland has the worst public hospital outcomes in Australia: short stays, lack of rehabilitation services and chronic underfunding. While average state government expenditure on public hospitals for 2002-03 was $895 per person, the Queensland government spent only $712 per person. And in its $5.35 billion health budget, which was brought down just recently, the Beattie government did not allocate one cent to help alleviate the problems which have developed at Bundaberg Base Hospital. We just have to take their action on trust.

Bundaberg Base Hospital has a medical staff turnover 10 per cent higher than the Queensland average—but then most of Queensland’s public hospitals are struggling to survive under the Beattie administration. Some of the shocking facts and figures uncovered by the AMA include a four-year waiting list for orthopaedic outpatients at the Princess Alexandra Hospital in Brisbane; waiting lists of between eight and 10 years for some surgical outpatients at Royal Brisbane and Women’s Hospital; a 3,000-patient increase in Queensland elective surgery waiting lists for category 1, 2 and 3 patients; a 13 per cent increase in the waiting list at the
Gold Coast Hospital for all categories; a 21 per cent increase in the waiting list at the Logan Hospital; a 10 per cent increase in the waiting list at the Mater Adult Hospital; and an 18 per cent across-the-board increase at the Princess Alexandra Hospital.

These are not small country hospitals. These are the cream of the Brisbane and Gold Coast hospitals. Imagine what it is like out in what the Leader of the Opposition refers to as the boondocks. Perhaps the most disturbing fact is that in Queensland almost 500 very urgent category 1 patients have been waiting for their operations since 1 January this year. I could go on and on, but I think the AMAQ’s immediate past president, David Molloy, hit the nail on the head earlier this year when he said:

Clinicians at the bedside are saying that an ever increasing number of ‘can’t do’ administrators are swallowing up funds directed to patient care ... There are many examples where an administrator or project manager has been appointed at the expense of hospital equipment, bed increases, or additional clinical staff.

When you realise that the number of Queensland health administrators has increased 75 per cent in five years, you get a true idea of the problem the Beattie government has let develop on its watch.

I do not want to be unduly political but the Queensland ALP are serial offenders at overadministering. During the Goss years, the Queensland government created, in addition to the Brisbane bureaucracy and the bureaucracy at the hospitals, 13 regional health authorities—very similar to the New South Wales ones, which were also a dismal failure. They employed some 300 to 400 administrators or clinicians who were moved to administrative jobs. The next minister, the National Party minister Mike Horan, cut out these regional health programs with hardly a ripple on the pond of Queensland health care.

Let me tell you another story. It is said that there are currently 77 administrators at Bundaberg Base Hospital for 46 doctors. Did you get that? Seventy-seven administrators for 46 doctors. A former South African doctor now in private practice in Bundaberg, who, prior to coming to Australia to practise medicine, administered a large public hospital in South Africa four times the size of the Bundaberg Base Hospital, had an administrative staff of 22. Twenty-two to administer a medium-sized hospital in South Africa and 77 to administer a smaller hospital in Australia. No wonder people are disturbed.

Premier Beattie tried to use the Australian Institute of Health and Welfare’s hospital statistics for 2003-04 as a smokescreen, claiming that Queensland has the shortest hospital waiting lists in the country. What he failed to admit was that his government was the only one that did not provide any details or explanations as to why patients had been removed from waiting lists and how long they had been on waiting lists before they were removed. How can a premier, who is the only common thread throughout this current disaster in public health, claim the shortest waiting lists when he is withholding the relevant information on which you can base an apples and oranges comparison?

But we should not be surprised. At a public meeting of Dr Patel’s victims, the state Labor member for Bundaberg made the extraordinary claim that the situation was the fault of the federal government for not having trained enough Australian doctors. The crowd response was swift and resolute. In fact, it was the most frightening example I have seen in a public hall in my political years. Immediately, the audience erupted with disbelief that she would try
to duckshove the blame. Many booed her and others called for her to leave the microphone. I have never seen that happen before in Bundaberg.

While we would like to see more Australian doctors, and we have been boosting doctor numbers, I make the point that Australia’s medical work force problems are about not so much specialists and GPs being trained but their distribution. Many parts of Australia are well endowed with specialists and GPs while others, notably outer metropolitan and country areas, do not have the requisite number of doctors. To address this, the federal government has set in place a system to deal with district work force shortage and the member for Bundaberg would be well aware that last year the Australian government allocated six GP positions, four of them bulk-billing, to Bundaberg.

On the matter of doctor training, it is the coalition government which, since 1996, has boosted the number of publicly funded university places by 30 per cent—well in excess of the change in population over the same period. It is the coalition’s Strengthening Medicare package which added another 234 publicly funded medical places last year and will see that number increase to 246 from this year onwards. It is the coalition which has applied a bonding program under which 100 graduates per year can receive a scholarship of up to $20,000 per year, provided they bond themselves to country practice for six years. It is the coalition which has supported the establishment of five new medical schools—the one already established at James Cook University in Townsville; one at the ANU in Canberra; one at Griffith University in Brisbane; one at the University of Notre Dame Australia in Sydney; and one at the Bond University on the Gold Coast.

It is the coalition which is committed to helping build another three new medical schools—one at the University of Wollongong, for which $10 million has been allocated; one at the University of Western Sydney, with an allocation of $25 million in total; and, as I said, one at the Notre Dame University in Sydney, where $4 million has been allocated for 60 funded medical places. It is the coalition which has opened up the medical schools to full fee paying students, on top of—not in exchange for—those that are publicly funded. The coalition has established 10 clinical schools in provincial areas so that students from the capitals can do part of their training in the country.

Tangible proof of the success of the policies was outlined by my colleague the member for Riverina in the Main Committee chamber in the last sitting period. The rationale for training these people at places like Townsville and Wollongong is based on the fact that people who do their university work and clinical training in the country are more likely to stay there. Similarly, people from outer metropolitan areas are more likely to stay in outer metropolitan areas if they do their training there. This has not been proved yet, but the member for Riverina has a very good indicator from the Charles Sturt University in Wagga. Of the 42 people that graduated in pharmacy—pharmacy being a shorter course than medicine—39 have gone to pharmacies in country areas. So the system works.

In the few minutes remaining I want to talk about a return to hospital boards. Hospitals need to have an element of not just public ownership but community ownership. Local hospitals are one of the great confidence builders of the community. You cannot have centralised control from Brisbane, Sydney, Melbourne or Adelaide; you have to bring administration closer to the hospital. Certainly, you have to bring smaller rural hospitals under a base hospital or some form of regional administration—and I would prefer a base hospital administration—
but the board itself has to be made up of people from the community. These must be people with skills. They cannot be political hacks; they have to be people who know what they are doing. They have to be accountants, doctors and so on.

I served on the Bundaberg Base Hospital board for 15 years before the Goss government came to power, and we never had anything like the Patel case. Our worst crisis over those 15 years would have been like a Sunday school picnic compared with events in Bundaberg over the last six months or so. We had the right to hire and fire. We stood up to the state government on buildings; we had a blazing row with the Bjelke-Petersen government over one building. We had a blazing row over optometrical services. But we had authority. We were not beaten into the kind of submission that the Beattie government and the Goss government imposed upon their people—a culture of silence and intimidation. When I left that board in 1990 we had plans for a three-storey complex with theatres, wards, a laundry and other things. The Goss government came to power and cancelled it. It was 6½ years before that block was built. Central control does not work. I hope the royal commissioner will consider very carefully, when making his report, a return to local ownership—a return to administration not by mickey mouse boards but by statutory boards controlled by local people.

Mr SAWFORD (Port Adelaide) (5.25 pm)—There is no doubt that the Howard government was in the political ascendancy at the last election—and supremely so. In comparison with the 2001 election, interest rates, inflation and unemployment had fallen. In those circumstances, no opposition has won office in Australia since the end of World War II—and I put forward that no opposition in a democratic country anywhere in the world has ever won government from that position. Yet what did the government do? Leading up to the campaign, it got spooked and went on a $60 billion spendathon, putting at risk the very same low-interest, low-inflation and low-unemployment statistics.

Good governments champion ideas that release the necessary creative energy to devise appropriate and coherent strategies and processes and work to attain the very best in outcomes for all citizens in both the short term and the long term. What did this government do? It simply embarked on a tawdry election campaign and a spendathon. But the coalition had the opportunity to raise the political bar with little or no risk, championing ideas of international competitiveness, building infrastructure and building the technical, professional, educational and social capital of the nation. But what did the Howard government do? It wimped out on all of those possibilities—all of them. Any thought of a world-class society or economy in the long term was simply shelved. ‘Gutless’ and ‘gormless’ are adjectives that come to mind over and over again when judging this government. And the federal budget simply repeated the process.

As I have said, good governments champion ideas. Tax cuts are not ideas; they are an outcome. The distribution of tax cuts is not an idea; it is a process. Addressing fundamental questions about personal income tax did not see the light of day. Even the government’s own propaganda, which embraces the term ‘internationally competitive’, was just that: propaganda. Moving Australia into a world-class internationally competitive economy should have been the idea driving taxation reform. But what did the government do? It simply juggled the thresholds—and what a nonevent that will turn out to be. One of the most telling statistics about personal income tax is its percentage of GDP. It is currently 23.1 per cent. The salient
question to ask is: what will it be in 12 months time? The answer—you guessed it: 23.1 per cent. Nothing has changed. It is all huff, puff and duff.

There are some on both sides of the House who support the reduction of the top rate of taxation to, say, 40 per cent, the rate in the United Kingdom, or perhaps to 39 per cent, the rate in New Zealand—the argument being that a lower rate will provide an increased taxation yield to redistribute to the poorer and needier people in our society. Whatever you might say about the merits or otherwise of a reduced tax rate, at least it would be addressing the idea that wages and salaries for the highly skilled should be internationally competitive. If that idea were introduced, coupled with a minimum rate of personal taxation and a more dinkum effort to tackle taxation avoidance, it might just do what its proponents claim. At the same time, removing workers on low to lower-middle incomes from the personal taxation system would not only be possible but also overcome the still too many bewildering disincentives that sap the energy and enterprise of both the economy and those people on low remuneration. Could it work? Of course it could, because a world-class internationally competitive economy—the idea that is driving the reforms—is the right idea to determine a fair, personal income taxation system. Taxation can be advanced in a spirit of compassion and fairness. It does not have to be about aggression and partisanship for some but not for others.

We on this side of the House believe that tax revenues collected should be spent on projects for the common good. One such project which could have done with more federal assistance is the recently announced project for opening rail and road bridges over the Port River in my electorate. The Treasurer announced a surplus of around $9 billion in this budget, yet the battle in Port Adelaide to build opening bridges rather than fixed bridges hinged on a meagre $20 million difference. Mind you, there was a terrible campaign by the South Australian Farmers Federation, the RAA, Business SA, the South Australian Freight Council and the South Australian Road Transport Association—that so-called gang of five—who wrecked the upper reaches of the Port River in 1961 with a similar stupid campaign. In the end, the state government to its credit announced that opening bridges would be built despite the federal government and despite the gang of five, but it is bizarre that, with such a massive surplus, the federal government refused to chip in that extra bit of money. It just shows what its priorities are: skimp on infrastructure, give tax breaks to the rich and tighten the clamps on those on the lowest incomes. That is really the agenda, isn’t it?

This country is enjoying the unprecedented fortune of a booming economy in China and the highest prices in living memory for our commodity exports. That is great for our country and very lucky for the government, but the thing to understand is that, like everything, it will not last. That is why it is important that the government ensures the funds from the boom in export prices are invested wisely for the future. Most households save and invest during good times to help them when things turn difficult—or the smart ones do. Granted, governments do not really save. However, governments can plan for the future when perhaps times will not be so good. Unfortunately, this government is doing nothing of the sort. There is no real future money in this budget for developing the infrastructure this country needs—nothing significant for roads, rail, water, power, communications, shipping and all the rest of it. There are a lot of words but not very much action and not much expenditure.

One of the major differences between successful economies and stagnant economies is the quality of the infrastructure provided by government. If you go to the airport at Stockholm in
Sweden, you can get on a train that goes 205 kilometres an hour. We cannot even get any fast train at that level in this country. An economy cannot function properly or grow freely if that infrastructure is not in place. And, of course, we could have had the Denmark bridge. Could you imagine anyone in Australia coming up with an idea like the bridge in Copenhagen? They would say you were mad if you came up with that idea in this country. They would say you were mad, like all those people who came up with the Snowy Mountains Scheme and the Alice Springs-Darwin railway. And they still knock it. They have got no imagination. The lack of imagination in this country is breathtaking.

But what if the roads are clogged—and they are—and the traffic is slow—and it is—and if the wharves are too small or river channels too shallow and if the railways are not standardised and properly linked and we have not got the higher speeds that we have talked about for so long? And what about our electronic communications, which are so hopelessly slow in so many places? A measure of that dismal failure is the broadband penetration rate in this country. Australia is slipping further behind in the provision of broadband services, and that failure is an impediment to business development, and that means an impediment to jobs growth. My electorate of Port Adelaide is not out in the sticks; it is very close to the centre of a capital city. Yet I have had to handle numerous complaints from constituents in business and residents struggling to get dial-up internet. It is an absolute farce. The government has failed to require Telstra to keep to the broadband roll-out schedule. The importance of that physical infrastructure should be self-evident. Unfortunately, the government seems blind to it.

The government is also blind to the need to secure better human infrastructure, and that failure is just as costly to our nation’s future. For example, the failure to put the funds from the current boom in China towards our education and training institutions is scandalous. Some people in this place may not be aware of the following fact: 25 years ago 100,000 tertiary students in this country took on pure mathematics and logic. Today less than 16,000 do. You can see the results in the stupidity that is written in our national papers and in the stupidity that goes for public comment on our television. And you can often see it in some of the dribbling, stultifying, stupid contributions that are made in this House.

This country is suffering a chronic skills shortage, and for this the government is entirely to blame. The government has neglected the need to provide the infrastructure to enable Australians to gain the skills this country needs to grow and develop, and Australians are now being forced to import those skills. Too many Australians have missed out on the opportunity to develop their skills, because year after year for the past 10 years the government has cut funding to our educational institutions. Billions have been cut from our universities, and the training sector has been wilfully and disgracefully neglected. This year—just cop the sense of this—20,000 skilled migrants will be brought into this country while 40,000 Australian citizens will be denied entry to TAFE. Isn’t that just so dumb? It is not as if the skills shortage could not be foreseen: this pattern of skimping on training for Australians while spending big on bringing in skilled labour from overseas has been going on throughout the past decade.

The member for Hinkler talked about doctors being trained, but he forgot to talk about how they are selected to be trained. We have more than enough doctors in this country to service the whole nation; they just do not want to do it. They do not want to go out into the country; they do not want to work six days a week; they do not want to work long hours. They want two days a week, and they want the rest of their lifestyle. If we had selected these people a bit...
more carefully in the beginning and taken a bit more note of where they might serve, we might have made some better decisions.

Australia spends big on bringing in skilled labour from overseas; as I said, it has been going on for 10 years. In that time, 270,000 people have been denied the opportunity to develop skills at a TAFE college—just think of that—while 180,000 migrants with those skills that we needed have been brought in to take the jobs. I am not against immigration—do not take that at all—but I am against us bludging on the rest of the world in terms of migrants and failing to train our own people. We know that it is cheap for the government. It is unfair for those seeking to learn new skills to earn a decent living. It seems that the more glaring the problem, the greater the indifference by government.

Let me take the New Apprenticeships scheme as an example. Forty per cent of participants fail to complete their training. You would think that says something about the selection process. The same drop-out rate applies to our universities. It damn well should not. There ought to be a better selection rate there as well. It is obvious that something is drastically wrong in the transfer of young people from school to tertiary education, whether training or university, but the government continues to ignore the situation. There is a need for an incentive selection and monitoring scheme in the transition from school to further education. That is obvious, whether it is doctors, teachers or nurses. You name it; it is any tradesman. Yet the government prefers the cheaper option of importing the skills required.

The government should immediately and dramatically increase the number of school based apprenticeships in traditional trades. They will have a problem: who is going to train these young people? The government has suddenly discovered that no-one is training people in the vocational education area—no-one, not one of our tertiary institutions. It is not forgivable that this sort of nation building role, which ought to be the core of responsibility, is simply overlooked. This issue almost defines the difference between Labor and Liberal on values. Labor seeks always to assist young people in danger of missing out on the education and skills training they need to be able to earn an income. It seems that too many conservatives simply do not care; they allow people—young people especially—to slip away and be lost in the system, to be candidates for dole queues, very low remuneration and low-skilled, non-sustainable jobs.

The government’s attitude to those in need of support pensions is devoid of ethics and care. There is nothing worth while in this budget to assist those needing assistance to get from welfare to work, and absolutely nothing to encourage employers to take them on. In fact, the government has initiated a two-tier welfare system. Of course, that accompanies a two-tier education system and a two-tier health system—at least it is consistent. Those in our society who are disadvantaged as a result of illness or accident or as a result of poor vision or hearing or because they were born with a medical condition need our assistance, not our neglect. Also in dire need of assistance are the carers, often close family members, who look after those with chronic disabilities. The government is reaping an enormous taxation bonanza on the back of high commodity prices and it would be reasonable for it to direct some extra assistance to those who need it most. The carers in our community are one such group.

I recently received a letter from a constituent in my electorate, aged in her mid-60s. Her husband died seven years ago and she is the sole carer of her son, now 31, who was born with down syndrome. They both live on her age pension and she banks his disability pension in the
hope that it will provide for decent care for him after she dies. The dedication of such carers has saved the public purse a considerable sum over the years, and she suggests they should be entitled to a basic unskilled wage for their efforts—worth some consideration, I would have thought. The coalition’s time in government has seen a litany of wasted opportunities and outright attacks on the more vulnerable in our society. There is no doubt that the coalition has changed the style of government in this country, and it has been aided by a very willing press gallery. Unfortunately, we have moved from a representative democracy to a manipulative one.

I know the member for Grey, who is in the chamber, though I do not know the other member so well. The member for Grey is a representative member—he does represent his community—but he and I both know that the power base in both our political parties has narrowed considerably. The government is more and more constrained, more and more controlled and more and more conforming. Government processes and commentary by the media have been corrupted over the last nine years. It is easy for some people in political parties to get with senior journalists who love to be seduced by information and so on—put on the spin, manipulate the information and put forward a slanted view. That seems to be the story of media commentary, particularly recently. There is not one person in the press gallery who has any analytical skills whatsoever—not one. We used to have Malcolm McGregor, whom those on our side used to get a little upset with, and we had Gerard Henderson. Even the Age has woken up to him—it has sacked him. But there is no-one else up there who has any analytical skills whatsoever. They think they have, but they do not. They are on about outcomes and they are on about process, but they are certainly not on about ideas.

The Public Service has been demoralised and the obvious results are there for all to see—for instance, in immigration. Immigration—you’re not wrong! What a demoralised department that is. Security is another one; transport is another one; and there is agriculture, education and health—demoralised almost on a daily basis. This is what happens when outcomes and not ideas drive the government of the day. It has happened before. Those who have a sense of history of the 1920s and 1930s will know that this is what happened in many European countries. The election campaign last year was down-market and tawdry. The 2005 federal budget continued the trend. It is a budget bereft of ideas and processes. It took on second- and third-order issues. In fact, with a leadership challenge or the Prime Minister’s retirement imminent within 12 months—probably sooner—and with interest rates and inflation rising, this government has the beginnings, only small, of looking like a corpse waiting for a coffin.

The Howard government was supported by the Australian electorate in 2004—overwhelmingly so. However, some have failed to observe that that support was given with a quiet sullenness that can be turned into rejection at the next federal election in 2007. I quite confidently predict it will be turned into rejection in 2007. Many Australians are fervently tired of political parties with their propensity to spin, their refusal to offend, their refusal to state what they believe in, their concentration on focus groups and their downright refusal to engage and champion ideas. Our side of politics has been set a challenge—there is no doubt about that—but it will have to champion ideas. It will have to reunite, renew and reconnect with real people and talk the talk of ideas, processes and outcomes in a language the electorate understands. But we need to do one more thing: reject the narrow, manipulative democ-
racy that is so prevalent today and champion the broad, representative democracy that the Australian electorate wants and deserves.

Mr CAMERON THOMPSON (Blair) (5.45 pm)—It is a pleasure to speak in the debate on Appropriation Bill (No. 1) 2005-2006 in the Main Committee. This has been a fulsome debate. Every year when debate on the appropriation legislation rolls around, members rush to take their place because it gives you an opportunity to speak in broad terms about the direction of the government, of our community, the options that lie before us, the future of our great nation and the way in which the government, through this budget, is positioning our country for that future. Obviously, the opposition want to put their case as well as to the direction in which they believe we should be going.

This occasion is an opportunity for us to take a look at the whole picture because the great depth and breadth of the issues that have been addressed in reform by the Howard government is now pretty much all encompassing. The government has made efforts in practically every sphere of government endeavour to reform the ways in which we go about our activities to create a stronger natural current for the benefit of Australians, and we have done that right across the board. It is worth while at this time reviewing some of the basic numbers, which have come into very sharp focus in recent times. We hear continually from the Prime Minister and the Treasurer the runs on the board which have been achieved by the government over the period since 1996 when it won government. When you look at the basic indicators, the question of the often repeated 14 per cent increase in real wages is felt every day in the hip pocket of average Australians. Across the board, certainly in the vote at the last election, there was a clear indication that people had experienced improvement in their real circumstances and that it was a real experience which had been noted by Australians. That is a very positive thing and is something that people have given the government a tick for. A lot of the reputation that the government has built for economic management comes down to a figure such as that.

Also, the family payments which the government make indicate that a family with two children, earning up to $46,000, is not paying any net tax at all. That is significant. Basically, a structural reform of our society has occurred over the period of the Howard government. It has not been a big bang type of reform but gradual reform where we have gone from a situation where, if you were in a family, you would feel part of a threatened species to a situation where families now really can feel that there is a government policy that cares for them, is focused on their needs and is determined to build a better case over time going forward. This budget focuses on those issues and once again delivers real benefits for Australians through the tax cuts which the government has been determined to implement despite the opposition of the Labor Party. Why they are opposing them I have no idea. Instead of fulminating and frothing at the mouth about things they object to and instead of, in a knee-jerk reaction, criticising steps that the government had taken, if members opposite stood back for a moment and spent their time focusing on their reform objectives and what it is they would like to see happen, perhaps we would currently be having a much more comprehensive and meaningful debate.

I was very interested in some of the things that the member for Port Adelaide had to say. But, by and large, inflated rhetoric attacking the government on one small point or another really does not go to the core of the matter when the situation for Australians has improved so much over this period. One thing that has become apparent is that the alternative range of
policies that Australians could look to from the opposition have become lost—I do not know whether it is in the fog of war or what it is. It appears there is no direction being offered from the opposition benches. At the moment, people are naturally looking to the government for innovation, and it is good that a constant stream of improved policies are being put forward. As I said, we have the proposal for the tax cuts and we have the industrial relations reforms. These are important new initiatives, but we also have a good track record in both those areas.

Mr Deputy Speaker, you must remember the absurd claims that were made by members opposite about the reforms on the waterfront that were made some time ago by this government. All kinds of emotive language was adopted by members opposite and there were claims that what was being sought by the government simply could not be delivered. They said the container rates just could not happen, that they were a physical impossibility. Of course, they have all happened and, as a result of that process, we have a much more efficient waterfront across Australia.

Mr Danby—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Mr Wilkie)—Is the member for Blair willing to take a question?

Mr CAMERON THOMPSON—No. The series of reforms that the government have undertaken have resulted in very predictable scaremongering and ridicule from members opposite. We had the claim, firstly, that they were going to roll back the GST. Of course, it never happened. No roll-back of the GST was ever offered by the members opposite; it all came to a crashing halt. The scaremongering about the GST was followed by the same sort of scaremongering about the waterfront. If we had stayed with the Labor proposals on the waterfront, we would have had a series of never-ending reviews that would have resulted in the same pathetic lack of outcomes that we saw year after year under the Labor government. Of course, it took the coalition government to attack those big issues and to deliver the outcomes that Australians have found, from their own experience, to be absolutely worth while and worth the trouble. The discredited sloganeering that we saw during that period from members opposite has made them lose a lot of credibility. As I said, people in Australia are looking forward to the opposition finally sitting down and developing some real policies as opposed to just a series of slogans.

We have seen the same kind of performance over Medicare. When the Minister for Health and Ageing says that the coalition government is the best friend that Medicare has ever had he gets a head nod these days from Australians. He has achieved a situation where the government through its track record has delivered real improvements in Medicare, unlike the illusory proposals from members opposite. And the problem is that when they do come forward with a proposal they face a basic lack of credibility, which does them no credit at all.

One current issue that I think is in fact the burning issue that affects Australians in my neck of the woods, in south-east Queensland, is the question of infrastructure. Infrastructure is a basic government responsibility. We have obligations to provide the infrastructure needed so business can get about its activities. We do it through reforming the tax system, through reforming industrial relations and through reforming the waterfront. But, at the end of the day, we also need the cranes, the conveyor belts, the roads, the rail, the bridges and all those kinds of things to be able to operate.
In Queensland we have come to an impasse in relation to infrastructure. This has obviously been documented in the case of Peter Beattie’s navy—that great number of ships anchored off Dalrymple Bay and going nowhere. Those ships are sitting out there, waiting and waiting, when we have real new opportunities for coal exports. Yet our ports, Dalrymple Bay in particular, are incapable of delivering the kind of throughput that we desperately need to earn those export dollars to address issues such as the current account deficit and to make those dollar incomes to improve employment opportunities for Australians. We need that infrastructure to be able to deliver those outcomes.

In my own neck of the woods the most interesting and challenging question has been in relation to the Ipswich Motorway, which has, through a series of failed Labor government initiatives over the years, had bandaids applied to it. We have never had an outcome which achieves the long-term vision of moving traffic through this region effectively. In fact, back in 1994 the then Queensland roads minister, David Hamill, and his Labor federal colleague Laurie Brereton opened the last upgrade of the Ipswich Motorway. When they did that in 1994 they opened a road which had all the merging points on the wrong side of the road. They trumpeted at the time that they were opening a road for the future. Yet today I have constituents writing to me saying, ‘Why didn’t the incoming coalition government just two years later begin the work to upgrade that road again?’ Isn’t it incredible that two governments—the state government and the federal Labor government—in 1994 could have trumpeted and proclaimed the construction of a road that had a time horizon of two years, that was capable of dealing with traffic for two years? Incredible.

Of course, there was no initiative from the state government to upgrade that road and the proposal for them to upgrade that road never came forward until 2001. When they did propose in 2001 to upgrade the road, what did we have? We had a proposal to upgrade and nothing else. Despite the fact that consultants did say it would be a worthwhile proposition to look at alternatives—a bypass of the road instead—there was nothing done in relation to that kind of alternative. In the end what was presented was yet another Labor Party bandaids proposing that we dig up this road after 7½ years and produce a road which would for a very short time be able to cope with the traffic. That is what I call a very substandard outcome.

To its credit, the federal coalition government took a different point of view. The coalition government has taken the view that what we need is a long-term outcome. That is, after all, what is written in the documents of AusLink and its predecessor. It has always been the case that if you are going to build a national highway you look to a 20-year time frame. So it is totally incomprehensible to me how the state government could ever suggest a road which would fail at the moment of its completion as a solution to the problems on the Ipswich Motorway. I suppose they think: ‘That is what we did the time before—back in 1994 when we completed that totally inadequate and failed project. Let’s just repeat the exercise.’

One of the objectives they were seeking in doing that was to ensure that the Commonwealth government would pick up the tab for the construction of that road and also, when it had immediately failed, the pressure would come back on again to upgrade it to, say, eight lanes or to provide the bypass at that time. What was being prepared by the state government was not a proposal to solve the traffic problems of south-east Queensland but a proposal to ambush the Commonwealth and to try to extract money from the Commonwealth to save state government expenditure. However, the Commonwealth in responding to this has come up
with a very effective proposal to create the bypass, which has now been the subject of a feasibility study.

This is also the proposal that the Commonwealth put up during the recent election campaign, which resulted in swings in my seat, in the areas most affected by the motorway, of between 10 and 16 per cent to me. In the seat of Ryan we had nine per cent swings in the booths in areas most affected by that motorway, I think they were the strongest swings anywhere in the electorate of Ryan. There were swings right across the board that basically endorsed this proposal. What the Commonwealth was proposing at that time, and has continued to propose right through to today, is much more effective because it does not involve digging up the existing road. It is an incredible thing that, at the same time as they are considering this project, half the state government is out there directing the lion’s share of growth in south-east Queensland into this area served by the Ipswich Motorway. The other half of the state government is running around planning to spend up until at least 2010 digging up the only road that goes there.

This is an example of planning under the state government: half the state government is looking to develop all this area, build it up and make sure that it is the focus for growth in south-east Queensland, and the other half is ensuring that for five, six or who knows how many years it will be impossible to travel there because there will be so much disruption on the motorway due to construction gangs and alternative routes. The state government has tried to claim that it has a network of service roads that it will develop over time and that it will build them one at a time so that all the traffic will be able to find its way around these various diversions to the places that it wants to go to. You just have to review some of those notes and you see they are planning to implement, for a start, traffic lights. People who at the moment come to a grinding halt along the motorway just because of traffic snarls would be thrilled, I am sure, to countenance the state government’s proposal to also impose traffic lights. There would be hold-ups on that road 24/7 if you had traffic lights as well. Not only would they occur at peak hour, but freight operators in the middle of the night would find themselves being held up by serious traffic delays.

That is another point: in this same crazy scheme the state government are proposing to divert a whole lot of traffic onto another road where there is a low bridge. I do not know if they have noticed—it has not really occurred to them, I suppose—that there are B-doubles going down this road, as it is a B-double route. When they get to the low bridge they are going to have to divert around it, and so we are going to wind up with this heavy freight—these B-doubles—tracking down Brisbane Terrace, a little suburban street where a lot of the yards do not have fences. It would be incredible if you were out there with your kid playing with a ball and the dog and along came a B-double. It is an incredible example of state government incompetence—absolute incompetence.

The notion that this is an effective plan is something that the state government, as recently as last weekend, trumpeted in the paper in full page ads. They are trying to maintain that there is some advantage for locals in having their whole road dug up until at least 2010—and if you read the review that has been done by engineers you will see it will probably be for much longer. That is a bad idea. The people who use the road know right now that it is very difficult to use. The Commonwealth through its proposal is seeking to ensure that the disruption on that road is minimised during the construction process—that we have the lion’s share of our
construction on the greenfield site and that we undertake the bits that are necessary first to complete that road and to make sure that we have an effective bypass.

All up, what we wind up with then is a separation of the through traffic from the local traffic. We wind up with a total of two routes so that we have network redundancy and if there is a hold-up on one of them the traffic can divert to the other. These are all logical ideas that, unfortunately, the incompetents in the state main roads department just cannot get their heads around. It is incredible to me, because this is the same department that under the coalition government from 1996 built from scratch the entire Pacific Motorway—the entire M1 project to the Gold Coast—in four years. Yet this same group has taken four years merely to install a group of electronic billboards to direct traffic through this incredible imbroglio.

I have no faith at all in anything that the state government plans. What I have faith in is the clear vision that the Commonwealth has articulated in building a bypass. We are seeking to divert trucks from the centre of Brisbane, to create a separate route for traffic. This is the only long-term vision, the only option that provides a long-term solution for south-east Queensland. That is the question of infrastructure. That separates the vision of the Commonwealth, of the coalition, from the incompetence of the Labor state government in absolute stark, black-and-white contrast. (Time expired)

Ms HOARE (Charlton) (6.05 pm)—This debate on the Appropriation Bill (No. 1) 2005-2006 has highlighted the gross unfairness of the government’s changes to sole parent pensions, to disability support pensions and to the tax system. But I want to start by discussing public education and Commonwealth funding for public schools. Tonight I want to speak about events celebrating public education and the great achievements of public schools which were held around the country last month. The achievements of our public schools, teachers, students and their communities stand as testimony to their commitment to public education even in the face of attacks and underfunding by this government over the past nine years. In my electorate of Charlton there are 41 public primary schools and seven public high schools and each of those schools holds a proud tradition of teaching our children literacy and numeracy skills, social behaviour and many values, including tolerance, sharing, equality, democracy, fairness, respect and generosity.

The theme for public education week this year was ‘Public education—worth the investment’. Celebrating public education also provides an opportunity to showcase our schools and to encourage parents and friends of public education to heighten our calls for governments to provide greater investment in our education system. Since the election of the Howard government there has been a massive shift in the way schools are funded by the Commonwealth. Between 2005 and 2008 the government will provide only 26.3 per cent of recurrent government funding to public schools while 73.7 per cent of recurrent funding will be delivered to 32 per cent of all students—those in private schools.

Angelo Gavrielatos, the Senior Vice-President of the New South Wales Teachers Federation recently stated:

Given the role of public schools and colleges in shaping our cohesive, democratic society, it is incumbent upon all citizens to call on elected representatives to preserve and enhance the quality of public education by lifting the level of government investment.

While welcoming the federal government’s extra $1 billion election campaign promise for small capital works projects in schools—the first time since 1996 that funding has been split
The New South Wales Teachers Federation has called on the federal government to allocate the $700 million funding over four years for public school capital works projects in a fair and orderly manner.

Labor will of course be monitoring closely the allocation of these funds to ensure they are not used to pork-barrel marginal seats held by coalition members and that they fairly reflect the needs of all public schools across the country. I have kept all of the schools in my electorate fully informed of this program and I have actively engaged the parents and teachers and encouraged them to apply for much-needed funding for their schools. I will personally and actively support every application from schools in my electorate. I can only encourage the government, on behalf of students, teachers and their communities in my electorate, to put aside partisan politics and to ensure that needy schools receive needed funds.

The government’s tradition of partisan politics has been recently emphasised in relation to the school flagpole program. Remember when the Prime Minister and his Minister for Education, Science and Training accused public schools of not teaching values education to students, and how offensive and vulgar those comments were and still are. The minister went further by indicating that if public schools had values they would fly the Australian flag. Minister, most already did. The minister then set about encouraging schools to purchase a flagpole, install it and place on it a plaque to indicate the school’s appreciation of the Prime Minister for providing this flagpole. The school would then apply to the minister for reimbursement of the money spent on the pole but not on its installation. An unveiling ceremony had to take place and the school would then be duly reimbursed.

I attended and officiated at a couple of these ceremonies in my electorate until the minister decided that a government member had to unveil the flagpole because the government had provided the funding. Excuse me, Minister, but those funds belong to the Australian community: it is not your money. The first time this decision by the minister came to my attention was when a local high school bought the flagpole, installed it and then applied for reimbursement. The exchange went something like this: ‘You can’t receive the money until you have a ceremony,’ to which the school representative replied, ‘That has been arranged with our local member.’ ‘What electorate are you in?’ The school representative replied, ‘Charlton.’ ‘Who’s that? Labor. Well, no, you must have a member of the government unveil the plaque on the flagpole or you won’t receive your money.’ This, of course, was duly arranged.

Here we have a government falsely accusing public schools of being valueless. Then it provides a flagpole, which schools have to pay to erect, and it does not even entertain the possibility of a three-pronged flagpole to enable schools to also fly the Aboriginal and Torres Strait Islander flags. Many schools in my electorate have significant Indigenous populations, and even those which do not still teach the values of inclusiveness, tolerance, respect for others and for other cultures. Yet this minister cannot provide a way for all schools to provide the flags significant to the Indigenous culture within the schools. Here is a minister who walked with me and hundreds of thousands of Australians for reconciliation in 2000 and who now will not provide the assistance to schools to fly the Indigenous flags of the country alongside the Australian flag. This is a really sorry state of affairs. I am pleased to say that when I present the three flags to schools the students are proud of all of them, they are aware of their significance and they treat them with respect and fly them proudly within the school grounds.
I also want to record in Hansard a couple of examples of schools in my electorate which highlight the wonderful achievements of all of them. While singling out a couple in the time that I have, I am not deflecting attention from the various wonderful and innovative programs initiated by other schools and the various awards won by all schools. I attended the public education celebrations this month at Fennell Bay Public School. During the assembly, which was extremely well attended by parents, I had the opportunity to listen to the principal, Ms Nielsine Oxenford, detail the wonderful achievements of the Fennell Bay students, teachers and community. One achievement announced was that the Fennell Bay Public School senior choir has been selected for a third time to perform at the annual primary choral festival.

The students are learning a repertoire of 12 songs which will be performed at the Opera House in November as part of a massed choir of 700 students from schools across the state. Conductors from Sydney will travel to the Hunter in August to listen to the students at a combined cluster rehearsal. The students and school community are extremely proud to have been selected again for this prestigious event, as there is very strong competition to be chosen for the festival. The children rehearse before school every week as well as during lunchtimes to perfect their performance. The Fennell Bay Public School now has three operational choirs, from infants through to year 6, which have earned a positive reputation within the wider community and are asked to perform at many functions throughout the year.

The QUEST, Quality Environment for Students and Teachers, program has also been introduced at Fennell Bay Public School for year 6 students to improve their leadership skills. I had the honour of awarding these students with their badges for leadership at the school assembly. The program aims to help students support and lead their peers in a positive way. It also help students become role models who can show younger students how to work and play together. The training helps students recognise and address the issue of bullying. Students will learn throughout the year how to create a quality learning environment. Well done to those year 6 students, and congratulations.

Speers Point Public School is another school in my electorate which receives many awards and accolades for its commitment to public education and the welfare and advancement of the students. In 2003 the school received the national award for quality teaching for commitment to the student welfare program Making Connections—Building a Safe School. This was presented by the minister to the principal, Ms Judy Harrison, at a special ceremony here in Parliament House. In 2004 Mrs Susan Olsen of Speers Point Public School received a New South Wales quality teaching award for her outstanding contribution to quality education. In 2004 the school received the New South Wales Minerals Council environment award, an honourable mention for the Lake Macquarie environmental education program and a healthy canteen award. In 2005 the school received grants for technology and sports equipment for the special education kids and a National Safe Schools Framework grant, which will enable Speers Point Public School to continue its student welfare project on citizenship. Congratulations to Judy, the teachers, the students and the school community of Speers Point Public School for their ongoing outstanding achievements.

Fifteen schools in the Hunter Region have elected to participate in a Canadian program called Roots of Empathy. In the Charlton electorate, the schools which are participating are: Fennell Bay, Booragul, Biraban, Edgeworth Heights and Mount Hutton. The program is being
piloted in year 1 classes here and in Western Australia to bring awareness to students of others’ feelings and needs. Again, congratulations to all those schools involved.

Public Education week was concluded during a reception at Warners Bay High School on 19 May. During the reception we were entertained by the violin ensemble from Warners Bay High, a choir from Booragul Public School and individual performers Julieanne Handcock from Toronto High School and Katie Wright from Belmont High School. Over 350 school captains, principals and teachers attended the reception along with John Mather, the regional education director of Hunter and Central Coast. All of our public schools are leading the way.

I now move to showcase another extraordinary, spectacular show reinforcing our region’s talents in our public schools. Public education is to be celebrated in Australia, and in the Hunter region there is no greater celebration of public education than Star Struck. This entertainment extravaganza is a remarkable showcase of the Hunter’s young talented students and of the efforts and commitment of all the workers, parents and volunteers in the greater school community of the Hunter in helping our children and public education. With a cast of over 3,600 performers from 130 public schools throughout the Hunter and Central Coast region, Star Struck is the largest variety show in Australia and it is now in its 13th year. It is an annually produced variety and entertainment show which provides performance opportunities for students from kindergarten to year 12, and it showcases performing arts programs taught in government schools in the Hunter district.

Star Struck is a spectacle with the biggest professional lighting and sound rig seen at the Newcastle Entertainment Centre for any variety show. It is three hours of live music, drama and dance featuring 70 featured singers, a 600-voice choir, 2,500 dancers, 250 actors and variety performers, three marching bands, a 20-piece show band, four student bands, a string quartet and 15 featured musicians. The Newcastle Entertainment Centre’s web site describes this year’s program:

“On the Move” takes us on a journey away from home to other lands and places. We travel by road, sea and air. We travel in trains, boats and planes. We will visit all styles of music from percussion to swing to rock, pop and classics. This is a ‘spectacle’ on a huge scale. It is an energy burst that will leave you breathless as the biggest cast yet assembled give you an experience you will not forget.

I am looking forward to attending once again, this Friday evening, and I hope the member for Dobell will also take the opportunity to attend Star Struck this year. The production of Star Struck relies only on private sponsorship for its continuation and, as costs continue to escalate, the future of this great show could be in doubt. I use this opportunity in this budget debate to urge the Prime Minister, the Minister for Education, Science and Training and the Minister for the Arts and Sport to avail themselves of the opportunity to experience Star Struck and, once they have done this, to provide some Commonwealth funding to ensure the continued success of this extravaganza.

Our local schools pride themselves on teaching compassion, inclusion, commitment to excellence and a passion for learning. The values public education teaches are core Australian values, and public schools in Charlton are doing a fantastic job educating tomorrow’s great Australians. Our public school teachers are one of our greatest assets and one of the most important reasons that public schools enrich so many people’s lives.

I turn now to the tax cuts outlined in this budget—Treasurer Costello’s 10th budget. This government’s tax cuts provide $85 a week extra for high-income earners, $65 a week extra for
members of parliament and just $6 a week for eight out of 10 Australian taxpayers. This is a
tax cut system which is grossly unfair.

Mr Ticehurst—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Mr McMullan)—Is the member for Charlton willing to allow the question?

Ms HOARE—Yes.

Mr Ticehurst—I would like to ask the member for Charlton what she is going to do with her tax cuts: is she going to keep them or is she going to give them to charity?

Ms HOARE—What I will be doing with the tax cuts is highlighting in the community the gross unfairness of the difference between the tax cuts provided to me as a member of parliament and those provided to eight out of 10 workers in my electorate of Charlton.

Just before the budget was delivered, we heard the newly elected members of the government crying poor because they would be the recipients of a parliamentary superannuation scheme which is in line with community standards. This is a wide group of MPs who could surely shore up support for the Treasurer when he challenges for the leadership of the Liberal Party. The Treasurer delivered to those backbenchers in the form of a $65-a-week tax cut.

In opposing these obscene tax cuts for the rich, Labor have proposed an amendment which will double the tax cuts received by 80 per cent of Australian workers to $12 a week. This is what Australian workers understand. This government under Howard and Costello is far from being the best friend workers in this country have had. Workers understand that their best deal in relation to their taxation arrangements, their working conditions, their living standards, their access to health care and education and their retirement incomes will come with a Labor government. These are the issues we will be highlighting during the course of this parliament and in the lead-up to the next election. Workers will understand and differentiate between the government and Labor in these areas of major concern to them, and they will toss this government out.

I refer now to the changes made to the arrangements for disability support pensioners and sole parent pensioners. In the budget, the government has proposed that people with a disability who can work more than 15 hours a week will be forced onto the Newstart allowance from 1 July 2006. The government has quarantined those already on a disability support pension and, in doing so, has created two classes of disability support pensioners. Those with a disability who are currently on a disability support pension and who may be able to work 15 to 30 hours a week will stay on the disability support pension. Those who cannot work more than 15 hours a week will be entitled to apply for the disability support pension, and those who can work more than 15 hours a week will have to apply for Newstart and be subject to activity tests.

Disability support pensioners who can do some type of work would be working already if there were jobs available to them. And what kinds of jobs would these be? They would be jobs which were flexible enough to accommodate a worker’s disability, they would be jobs that provided support to a worker with a disability and they would be jobs which provided between 15 and 30 hours of work per week for a person with a disability. If those jobs and that support were out there, many disability support pensioners would be out there working. The clear fact is that those jobs do not exist.
Also, these proposals do not take into account the varying nature of people’s disabilities. People with disabilities or with a chronic illness have good days and bad days, good weeks and bad weeks, and good months and bad months. These variances cannot be anticipated, and they apply particularly to people with a mental illness. Not only are the jobs not there for people with disabilities; the support is also not there for people with disabilities. But a person who has been assessed as being able to work between 15 and 30 hours a week but who has a bad week, who does not turn up for work and who gets the sack will then be penalised by this government for not continuing in a job or in training, for that matter.

Similar circumstances apply to sole parent pensioners. The government has now said to sole parents: ‘Once your youngest child turns six, drop them off at school and then get yourself directly to an employment agency to get a job.’ Once again, many sole parents struggling to raise a family on a very limited income would be working if they could be working. But there is not the support or the jobs for sole parents. If there were the jobs then most sole parents with school age children would be working in those perfect positions available between 9.30 am and 2.30 pm each weekday.

Upon the Howard government’s election in 1996, it abolished employment support programs for people with disabilities and for sole parents. The programs initiated under Paul Keating’s Working Nation for disability support pensioners allowed them to be case managed individually with support from the CES, the Commonwealth Rehabilitation Service and the old Department of Social Security. This case management also provided support and incentives for employers to employ somebody with a disability. This program of disability support panels was abolished by the Howard government.

Similarly, under Working Nation the JET scheme was set up to provide support for sole parents who wanted to work. This scheme, administered between the CES and the Department of Social Security, provided training incentives and child-care support for sole parents. Since 1996 this program has had its funding slashed, and it remains a shell of the program it once was. In the past it has not been able to adequately support sole parents returning to work and it will now fail dismally in providing support to the many more sole parents who are being forced into employment. In both cases, of people with disabilities and of sole parents are being forced onto the Newstart allowance, not only are they being forced to undertake training or to look for a job but all the support services are being taken away from them and they are expected to undertake these activities on a reduced income.

Absurdly, during the Senate estimates process and following questions to the Prime Minister in the House of Representatives, the government has been unable to provide a guarantee to sole parents that, if they refuse a job because they cannot find suitable child-care arrangements, they will not have their income support reduced or cancelled. It also came to light that, because of the differences between the pensions and the Newstart allowance in the reduction of payment because of other income earned, sole parents and people with disabilities could be up to $250 a fortnight worse off. As I and many other speakers on this side have highlighted during this debate, this is an unfair and irresponsible budget and this government will be condemned by history for it.

Mr TICEHURST (Dobell) (6.25 pm)—It is with pleasure that I stand to speak in support of the 2005 budget handed down by the Treasurer. This budget tackles head-on the need to ensure greater labour force participation and productivity in the economy. This will provide
benefits now and into the future. For the first time, this year’s budget incorporates projections that employment and economic growth will be lower in this decade as a result of the ageing population. The need to take steps to prevent an unsustainable burden falling on future generations while we strive to enhance the wellbeing of today’s generation is becoming more urgent. It would be easy to put decisions off until another day, but the government does not consider this an option. The government is committed to addressing the challenges and taking advantage of the opportunities that will drive change now and in the future. The government recognises that we are in a good position to address challenges because our economy is in good shape. Responsible economic management by this government over the past nine years has delivered a strong economy and strong budget outcomes. By making the tough decisions today, the government will help sustain Australia’s prosperity over the decades ahead.

At the outset, I take this opportunity to express my utter disappointment at the Labor Party for blatantly ignoring the interests of Central Coast taxpayers by recently voting against the government’s $21.7 billion tax cuts. The Leader of the Opposition must give up this useless opposition so that all Australians can have tax relief on 1 July. My constituents deserve tax relief, and these tax reforms will provide extra incentive which will be good for our local economy. The 2005 budget will allow for tax cuts for all taxpayers in my electorate of Dobell and nationally. It will increase the rewards from work and saving and heighten incentives to work. This is in addition to the $14.7 billion in tax cuts provided in last year’s budget. These personal income tax cuts will assist low-income earners and boost disposable incomes, and they demonstrate the government’s commitment to rewarding participation and hard work.

Measures in this budget mean that over 80 per cent of taxpayers face a top marginal tax rate of 30 per cent or less. Our strong economy, lifestyle advantages and changes to the top two thresholds in this budget will increase incentives to work for all Australians. The Australian Labor Party need to understand that getting into the work force is not a bad thing. There are many people who want to return to work, and tax cuts will only serve to further encourage those people to participate. Dobell’s senior Australians will also benefit from tax reform. From 1 July 2005, senior Australians who receive the senior Australians tax offset can earn more without paying tax and will not pay the Medicare levy until they begin to incur an income tax liability. The Howard government has also continued its unprecedented support for Central Coast families, with an allocation of $3.6 billion in areas of demonstrated need to help people make the move from welfare to employment. Welfare recipients who are able to work part time will be obliged to do so. The payment structure will be changed to provide better incentives to work.

One of the most important aspects of the Welfare to Work package will be the allocation of $266 million for additional child-care support to allow parents of school-age children to either remain in or re-enter the work force. Under this legislation, a mother can be on the parenting payment until her youngest child turns six and begins school. They will then have an opportunity to look for part-time work. There are already a lot of mums in the work force on a part-time basis and we want to encourage others to work part time. In addition to these measures, the level of family income allowed before family tax benefit part A starts to be withdrawn will increase to $37,500 a year from 1 July 2006. This means that you can earn more before you begin to lose your benefit. This will assist many families in Dobell by providing increased
assistance of up to $12.55 a week. I congratulate the Howard government on these reforms, which reflect its unwavering commitment to families in Dobell.

On the education front, many of Dobell’s primary schools have been seriously let down by the New South Wales Carr Labor government. It is unfair but true that state school students in my electorate are paying the price for the state Labor government’s economic mismanagement of this state. Thankfully, these schools are set to benefit from the Australian government’s budget commitment to capital works in schools. This includes an additional $163.3 million for state schools in 2005-06. Under the program, state school communities will determine their own funding priorities and apply directly to the government for funding. This means that funding will not get caught up in the priorities of state education bureaucrats. I also welcome additional funding of $80 million in 2005-06 for the less well off Catholic and independent schools. Again, the school communities themselves will determine their priorities. Unlike Labor, the coalition does not believe in a divisive school funding policy that provides funding for some students by cutting funds from others. This funding will help to restore and build Australian schooling infrastructure that will provide for current and future generations of young Australians.

More than 70 per cent of students do not go directly to university from school, so vocational education and training are of paramount importance. In a significant boost to vocational education and training and in line with the government’s election commitment, the Treasurer has provided funding for the establishment of 24 technical colleges throughout Australia. One of these will service the Central Coast. The abolition of technical colleges by the states has meant that over the past few decades young people have lacked training skills pathways. The price we have paid for this is the skills shortages we are experiencing in many of our key industries. Indeed, when I went to school in Granville we had a Granville technical college. Many kids learnt a lot of their hands-on trades at that school. That school no longer exists.

The establishment of a local college is great news for my electorate of Dobell, and for Australia. This will allow years 11 and 12 students on the coast to learn the best trade skills for the future benefit of our region, and will help to address serious skill shortages and youth unemployment. The Central Coast community also welcomes the announcement of an additional 4,500 pre-vocational training places for people interested in a traditional trade, and an additional 7,000 school based new apprenticeships so more students can begin their apprenticeships while continuing their school studies. I will lobby to ensure the Central Coast receives its fair share of these places.

I would also like to take this opportunity to express my ongoing commitment to working with the Minister for Education, Science and Training, Dr Brendan Nelson, to support the ongoing viability of the University of Newcastle’s Central Coast campus in light of its current situation. Minister Nelson is well aware of the valuable service that the Central Coast campus provides to our local community. He has visited the campus on many occasions, he understands that we have a rapidly growing region and has always been committed to ensuring that we have the additional resources to support this growth. In fact, last year the minister allocated over 1,000 places to the Ourimbah Campus over four years to meet student demand and support the growth of our region, on top of 164 nursing places. And I am pleased to say that these places are being taken up in line with that projection.
In addition, the University of Newcastle as a whole will receive $193.9 million from the Australian government in 2005. That is up from $168 million in 2004. I also welcome the minister’s recent move to give the university a $10 million advance on its Commonwealth Grant Scheme funding. If the Labor Party wants to do anything to help the university, it can lobby its state colleague, New South Wales Premier Bob Carr, to stop slugging the university more than $10 million each year in payroll tax. I will continue to fight for our university. However, the New South Wales Carr Labor government also needs to take an interest in our university and its students. In saying this, I also trust the university’s council to take the necessary steps to ensure its long-term financial viability and to protect the interests of its students.

Another issue that I have been lobbying hard for since I first came into office in 2001 is to bring about family law reforms. I am delighted that we are making headway with the provision of $397.2 million over four years for family law reforms—the biggest ever investment in the family law system. The Australian government recognises the impact of family breakdown on hundreds of thousands of children each year and on the wider community. It is committed to tackling this difficult issue with bold family law reforms and by funding more than 100 new services to assist families experiencing relationship difficulties. The government wants to bring about a cultural change in the way family breakdowns are handled. This funding will give separating parents the support they need to sit down across the table and agree what is best for their children rather than fight in the courtroom. The centrepiece of this package is $189 million to establish 65 family relationship centres, where all families can go to get help with their relationship difficulties. The centres will be a visible entry point into the family law system which will provide some mediation services and refer families to other appropriate services.

The 2005 budget also delivers on the government’s election commitment to invest in securing Australia’s water future through the $2 billion Australian government water fund. This announcement is great news for the Central Coast community, as our water catchment is one of the most precious assets on the coast and is something we must work hard to protect. A total of $320.9 million has been allocated under the water fund. The National Water Commission will administer $272.7 million of this through the Water Smart Australia program and the Raising National Water Standards program. The remaining $48.2 million will be allocated in grants under the Community Water Grants program. I am working closely with the Gosford-Wyong joint water authority to secure funding for an important local water project to improve our dwindling water supply.

Mr Hayes—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Mr McMullan)—Is the member for Dobell willing to accept a question?

Mr TICEHURST—No. I am encouraging local councils, community groups and schools to get behind the initiative and apply for funding for water conservation projects, including funding to protect The Entrance channel. The money is there; we just need to make a valid submission for it. This program represents a major investment by the Howard government and will vastly improve the way we manage our water resources.

Ironically, while the Australian government continues to work closely with local councils across Australia in achieving real on-the-ground results for communities, it is disappointing
that the Carr Labor government in New South Wales has never come to the party locally, failing to provide the one-third share of the funding for the dredging of Tumbi Creek. My constituents are very grateful for the Howard government’s generosity which allowed us to double our funding offer to over $1.3 million to cover the state’s share as well, but they are losing their patience. Local residents are still waiting for the state government to give final environmental approval so that Wyong Council can begin the dredging work. Sadly, in its recent budget the Carr government has again failed the Central Coast by not providing any funding to help our ailing water supply. It is an absolute disgrace that the Labor Party cannot see the importance of securing the Central Coast’s water future.

Our local projects specifically provided for in the budget include $125,000 in federal funding for the Central Coast rescue squad to proceed with initiatives to ensure an even more efficient service in the future. I secured funds for the volunteer squad in the lead-up to the 2004 federal election under the Australian government’s Regional Partnerships program. The Wyong volunteer rescue squad is a dedicated team of hardworking volunteers who are making a real contribution to our area and who really deserve this level of support. This is the first funding they have received directly from any government.

The Warnervale and Wyong areas are also set to benefit from the budget’s provision of funding for the link road, for which $1.7 million of the $2.5 million in funding will be provided in 2005-06 to construct an access/link road from Britannia Drive, Watanobbi to Sparks Road, Warnervale. The new road will play a vital role in supporting the planned development at Warnervale. It will connect Watanobbi and the Wyong township to MacKillop Catholic College, the Lakes Anglican Grammar School and the employment areas being developed in Warnervale. This funding will also ensure that public transport between Wyong and the proposed Warnervale district centre is linked. I am committed to supporting the Central Coast lifestyle and ensuring that adequate infrastructure is in place to assist our growing community, especially the rapidly growing Warnervale area. This project is great news for the Warnervale community.

As the chair of the government policy health and ageing committee, I also welcome the Treasurer’s announcement of $5.5 million over two years to raise national awareness of skin cancer and funding of $45 billion towards a first-class health system in 2005-06. This budget also makes dementia a national health priority with $321 million to improve the quality of life of dementia sufferers and their carers, including 2,000 new extended aged care at home places for people with dementia.

One final element of the budget that I would like to discuss is the announcement that 1,200 carers across the Central Coast who provide constant care for a disabled person or child and receive the carer payment are going to receive an additional one-off payment of $1,000. Those receiving the carer allowance are to receive an additional $600. I welcome the Howard government’s decision to assist our selfless fellow citizens. These people are helping those who cannot look after themselves and we really appreciate the work they do. In conclusion, this budget is about sharing the benefits of a strong and well-managed Australian economy with all Australians, and preparing for our future as a solid and secure nation. I commend this legislation to the House.

Ms VAMVAKINOU (Calwell) (6.41 pm)—This is the fourth budget I have spoken to since coming into this place as the member for Calwell and it is by far and without doubt the
most unfair and the most misdirected of all. This is a post-election budget that is framed within the context of a massive surplus at a time when skills shortages are jeopardising future work force participation, tax reform is desperately overdue and the overwhelming majority of Australian workers—some seven million—will miss out on getting a bigger and fairer share of the tax cuts. These are workers who drive the prosperity that so many Australians enjoy. They work hard and many of them—in fact, most of them—have families and mortgages. They are doing it much tougher than the better off 10 per cent of Australians and they deserve a much bigger slice of the pie. They deserve it for their efforts and sacrifices, but unfortunately the government, and the Treasurer in particular, did not see fit to reward them adequately. There appears to be a preference for the wealthier side of town. It is on this basis that Labor is opposing the government’s tax cuts—because they are so blatantly unfair and misdirected.

My constituents are a part of the overwhelming 90 per cent of taxpayers who will miss out on an equitable and meaningful tax cut. For us in Calwell there are mixed realities and mixed feelings. The budget will be welcomed in some areas amongst the self-employed and the small group of high-income earners who will receive, no doubt, some very handsome benefits. However, these people comprise only a very small number whilst the vast majority of my constituents will not be doing so well.

Before I talk about some of the disadvantages this budget will impose on my constituents, I would like to make the point that there are some aspects of the budget which are positive and will be of benefit to the federal seat of Calwell. I refer particularly to the funding for the completion of the Craigieburn Bypass and other Hume Highway works, which we do welcome because we have a high accident rate on the Hume Highway. As recently as the weekend someone was seriously injured. We look forward to the completion of the Craigieburn Bypass.

Also, and I know I say this on behalf of South Pacific Tyres, we welcome the abolition of the three per cent tariff on imported goods not produced in Australia. This is an issue South Pacific Tyres raised with me two years ago and I raised it in the House last year. They are very pleased that finally the Treasurer delivered on his promise, which is about two or three years late, to remove this levy. South Pacific Tyres employ a lot of people in my electorate. It is always good to make sure large employers are viable and able to maintain that strong level of local employment.

In addition, the implementation of the government’s election commitments will be welcomed by Kangan Batman TAFE in Broadmeadows. However, as Kangan Batman’s chief executive, Ray Griffiths, has noted, it is disappointing that publicly funded TAFEs did not get much of a boost in direct funding for additional places. I am afraid I agree with Ray’s comments because the budget has not provided any general growth funding for additional TAFE places, especially when we learn that 40,000 people were turned away from TAFE institutions across Australia last year. This is a paradox when, as we all know, the debate around town at the moment is that Australia is experiencing a national skills crisis.

It appears absurd to me and to others that this government would not invest in increased education and training at our TAFE institutions. It does indicate that the government perhaps is not as serious about addressing the serious decline of apprenticeship completion rates which further add to the ongoing skills shortages that we are experiencing. When apprenticeship completion rates are so low at around 60 per cent, the Labor Party’s proposal for a trade
completion bonus of $1,000 halfway through and another $1,000 at the completion of their apprenticeship is a very sensible way of acknowledging and addressing a problem that, rather than enhancing our skills development, actually adds further to the growing skills crisis.

Discussions with the executive director of the northern region’s business and development network, Mr Mick Butera, indicated that the tax cuts in this budget did not go far enough and that small business would suffer due to a lack of trainees in areas, particularly in the building industry. It appears the budget has not adequately addressed the immediate problem of the shortage of trainees. Small business needs trainees today rather than in six or seven years time. Given the government appears to be so committed to helping small business and talks about freeing small business from the so-called burden of unfair dismissal—the government promises that should small business be exempt from unfair dismissal then miraculously 40,000 jobs will be created—it is a paradox where small business will find these specially trained people it requires in order to create these jobs.

As I mentioned earlier, the few high-income earners in my electorate will obviously welcome these tax cuts. However, the majority of my constituents fall into the middle- and low-income levels, so I am afraid that all they have to look forward to is their $6 a week tax cut, which in reality will not even cover the rise in mortgage repayments from this year’s interest rate rises. So there is not much of a bonus for my constituents in the $6 a week tax cut. The government is the highest taxing government in Australia’s history, with the Treasurer collecting 70 per cent more tax since this government came to office. That is largely due to the impost of the GST, which leaves the average family paying $12,000 more in taxes than they were nine years ago. With this year’s considerable budget surplus, it seems pretty clear that Treasury is collecting more taxes than it needs and the commonsense approach is to return some of those taxes in a fair and equitable manner.

Labor has put forward a fairer tax package with a $12 a week tax cut for the majority of Australian workers. No doubt many of them are in my electorate, and they would benefit far more with a $12 a week tax cut than with the government’s $6 a week. The reality is that the government is squandering the budget surplus on skewed and unfair tax cuts which ignore 90 per cent of taxpayers, yet it seems to be putting some pretty unrealistic pressure on the disabled and sole parents in our community. I think that the budget targeting the most disadvantaged in our community and increasing the burdens that they already face is not the sign of a government that views people in a fair and equitable manner. I am particularly concerned about this because in my electorate of Calwell we have a large number of people who receive disability support and parenting payments and many of them have already written to me and called me to express their concerns about how the government’s Welfare to Work policy will affect them in the course of their daily lives.

We have over 6,000 disability support customers in Calwell and, as I indicated in this place last week, many of them would actually like to work. Contrary to the image that is being put out by many, including those in the government, people on disability support are not welfare bludgers and there are many who would actually like to work and improve their financial circumstances. In addition to improving their financial circumstances, working means that they would get a sense of purpose that comes from interacting with other people in the workplace, and they would also benefit from the opportunities that come their way when they are working and acquiring more skills.
The reality is that there are not any jobs for people with disabilities. I know that for a fact because I was a member of the Standing Committee on Employment and Workplace Relations in the previous parliament which conducted a public inquiry and most of the evidence submitted to that committee indicated very strongly that employer attitudes towards people with disabilities was very negative and very discriminatory and that many barriers existed for the employment of people with disabilities. Those barriers include the obvious: negative stereotyping of people with a disability, discrimination and prejudice that comes with that stereotyping, inappropriate or inadequate assistance and support for those who are lucky to go into the workforce, lack of information for employers to enable and encourage them to employ people with disabilities and lots of inappropriate jobs and inflexible working arrangements that militate against people with disabilities actually entering the workforce.

The committee’s report also noted the evidence submitted by Disability Action Inc. that people with disabilities effectively need adequate support in order to access job training and employment opportunities. They need access to adequate personal assistance and care, to accommodation and to transport, and they need access to buildings and other infrastructure, to communication technologies and to the community. Presently those things are not available. We do not know how these people are actually going to be able to find jobs and then be able to sustain themselves in a working environment without all these additional supports. On the basis of my experience, I am not very optimistic that people with disabilities are actually going to be able to find meaningful employment.

It does concern me that the government does not appear to have considered these barriers adequately and does not appear to have provided some sort of mechanism to bridge the gap between welfare and work in a sustainable manner. Not only do many disabled people want to work but many currently do work, and this government should be focused on doing more to encourage employment of people with a disability. It is no good saying that they actually have to go and work; you have to encourage the employment sector to employ them.

An organisation in Calwell called Distinctive Options specialises in finding employment for people on disability support pensions. My daily contact with them tells me that they have incredible difficulties in placing people. For a while, my office took some of their clients as a way of providing some form of work experience. I particularly mention young Adam who, after working in my office for a period of about 12 months, eventually secured a job at the Melbourne Fire Brigade. This is a success story that, unfortunately, is the exception and not the rule. Today, Adam is still with the Melbourne Fire Brigade and doing very well. This is a perfect example where, if an employer has a will to employ people with a disability, they can be gainfully employed and make a very constructive contribution.

Earlier I mentioned the barriers to employment and said that discrimination is one of the most common and potent barriers to employment. If we are going to ask people with disabilities to go back into the workforce, it is very important that we seriously address employer attitudes and practices towards people with disabilities, as well as their discriminatory practices, so that some results can be achieved. The focus should be on employers’ willingness and attitudes, if the government’s Welfare to Work policy is going to make any inroads or be successful in any meaningful way. We need to make the employer the issue for a change, rather than constantly speak in terms that impute guilt or unwillingness on the part of the disabled and make them the scapegoats, as they appear to be throughout this debate.
I also want to talk about Brite Industries in my electorate. Over the last 20 years they have led the way in giving disabled people opportunities to gain meaningful employment. They are a caring, dedicated employer who understand the needs of their employees. That is the key to their success and commitment: they are compassionate people who understand the needs of their employees. Brite currently provide employment for 126 physically and intellectually disabled residents at their packaging factory and commercial nursery. It is employment arrangements such as these which should be further supported and encouraged by this government, rather than subjecting them to the increased burden of productivity assessments, as is currently occurring at Brite Industries. Unnecessary and unfair pressure is being placed on the management of Brite and, indeed, on those individuals employed there.

The budget does not appear to be doing anything to encourage long-term secure employment for people with disabilities. It does not appear to address employer attitudes and it does not seem to do anything substantial to reverse the decline in disability employment by the Commonwealth, which I understand has dropped from 5.6 per cent to 3.8 per cent. The Commonwealth itself is not leading by example. It is telling people with disabilities that they have to go out and get a job. As one of our major employers, it suffers from the same problem as other employers do—that is, an attitudinal problem. The Commonwealth could start to lead by example. Jobs need to be created that are appropriate and sustainable. If this government is to drastically restructure the lives of DSP recipients, it has a responsibility to make a positive impact, not a destructive one.

Similarly, the government’s changes to the parenting payment obligations concern me, as the member for Calwell, and my constituents—particularly given that there are over 7,000 parenting payment recipients in my electorate. The overwhelming number of these are sole parents and they are already undertaking the precious task of raising children in often very difficult and trying circumstances. Essentially, this policy of requiring sole parents—in this case mothers—to go back to work once their child turns six takes away choice. In a two-parent household, parents can choose whether they stay home; the mother or father can choose whether they stay home while the child is still at school. Sole parents no longer have that choice once the youngest child reaches six. This is rather ironic coming from a government that constantly argues about the importance and the value of individual choice. It seeks to deprive sole parents of choice. It seeks to deprive sole mums of the option of staying home and being with their children, particularly while they are at primary school. The government has not carefully thought out the ramifications of this for the children, the schools and the communities involved. I find it despicable that we are almost designing two classes of parents. It is despicable because those children who are in single-parent households are the ones most at risk. They are the ones who need, more than anything else, at least one parent to be at home with them and to support them through the critical years of early childhood education.

We do not know what the social ramifications for children in sole parent families will be. The reality too is that those sole parents who will be expected to return to work will require retraining. They are not going to walk into a job. No-one is going to employ them. They are going to have as much difficulty getting a job as people on disability are going to have because there are also many prejudices out there about employing a sole parent.

I worry about what will happen to sole parents when the government implements its industrial relations reform agenda. Exempting small business from unfair dismissal will put a very
large number of the Australian working population in this position. Many of them will be sole parents and mothers. If they happen to be lucky enough to get a job selling whatever in a shop, or wherever it may be, and if they have to go home or they get called away once too often from their work to attend to their child who may have taken ill at school—it happens, I know; it happens with my children, it happens all the time—the employer might decide: ‘This worker is not acceptable because she has to keep leaving so I am going to give her the sack.’ So this strange convergence is taking place.

Mr GEORGIOU (Kooyong) (7.01 pm) —I am pleased to speak in support of the Appropriation Bill (No. 1) 2005-2006. This is the Howard government’s 10th federal budget, a remarkable and commendable achievement. Like all good anniversaries, its celebration entails an affirmation of what has been achieved so far and a commitment to continuing in the same vein.

The budget is based on tried and true principles: sound financial management underpinning a budget surplus, the further repaying of outstanding Commonwealth government debt, funding for important areas of current community need, structural reform, allocation of funds for long-term priorities, tax relief for ordinary Australians and a positive economic outlook in a difficult international environment. I have made these points before when speaking to previous budgets but the fact is that we have become accustomed—dare I say wedded—to these pillars of monetary good practice. But the fact is that they are only comparatively recent achievements.

When I first entered parliament in 1994, the expectation of the federal budget was somewhat different: $10 billion blowouts, last minute privatisations of national institutions, 17 per cent interest rates, 11 per cent unemployment, negative economic growth and rampant inflation. These are all fragments of a past that should not be forgotten.

The Leader of the Opposition in his address-in-reply to the budget attributes today’s vastly improved economic position to good fortune. Nothing could be further from the truth. There is luck in economics, certainly, as there is in politics. This government has had its share of good luck, including strong export prices, but it has also faced and overcome some unprecedented challenges—the Asian economic crisis, share market instability, the devastating drought, September 11 and the ensuing economic malaise in the US, Japan and Europe. The government has been able to navigate these shoals and capitalise on the positive aspects of the current environment because of sound economic management, careful attention to detail and a sensitive balancing of competing priorities.

My views could be dismissed but this is not just a matter of partisan political opinion. Indeed, the OECD in its 2004 survey of the Australian economy noted:

... in the last decade of the 20th century, Australia became a model for other OECD countries ... Structural and macro policy anchors conferred an enviable degree of resilience and flexibility on the economy. The combination resulted in a prolonged period of good economic performance that shrugged off crises in its main trading partners as well as a devastating drought at home. The short-term outlook is for continuing strong growth of productivity and output, low inflation and budget surpluses accompanied by tax cuts.

I have to say that occasionally the OECD gets it wrong, but the budget certainly made the OECD’s forecasters look pretty good in this case. In 2005-06, the budget will be in surplus by $8.9 billion. Economic growth is expected to be around three per cent and inflation should
remain below three per cent. Unemployment is likely to remain at around five per cent. Commonwealth government debt will be cut to just $6 billion, down from $96 billion in 1996—and, yes, as the OECD anticipated, there will be tax cuts.

Some years ago, the Treasurer outlined the government’s fundamental position with respect to tax cuts. Once the budget was balanced, a proportion of outstanding debt repaid and important new services funded, consideration would be given to cutting taxes. Over the last few years, this approach has delivered substantial tax cuts for all Australians. In previous budgets, taxpayers earning up to $50,000 a year received tax cuts of up to $56 a week. Now, thresholds on the middle and higher tax brackets are being adjusted to reflect the government’s longstanding aim of ensuring that at least 80 per cent of taxpayers face a marginal tax rate of no more than 30 per cent. The 42 per cent threshold will increase from $58,000 to $63,000 on 1 July 2005 and to $70,000 on 1 July 2006.

From 1 July this year, the 47 per cent threshold will increase from $70,000 to $95,000 and on 1 July next year it will increase again to $125,000. The lowest tax rate, of 17 per cent, will be reduced to 15 per cent, delivering deserved relief to lower income earners. The income threshold at which the maximum rate of family tax benefit A is payable will increase to $37,500 from 1 July 2006. This will give low-income earners the opportunity to increase earnings without affecting family assistance payments. Also, the superannuation surcharge will be abolished. I do not need to remind the House that the Labor Party oppose these tax cuts. Much has been said about this seemingly strange decision, so I will not harp on it. It seems to me that the Treasurer’s comments and the trend in the polls have made a bottom-line judgment on the efficacy of these tactics.

However, while the tax cuts are undoubtedly a centrepiece of the budget and their implementation has been the central issue in the ensuing debate, there is a great deal more in the budget than just tax. The critical role played by carers in looking after disabled members of our community is again recognised through a one-off bonus of $1,000 to recipients of the carer payment and $600 to carer allowance recipients for each eligible care receiver. The Strengthening Cancer Care initiative will invest $189 million for new cancer screening programs and awareness campaigns and a range of coordinated mechanisms that will tackle treatment, research and support for families, carers and patients.

Dementia will be made a national health priority. There will be an additional $321 million invested over five years for early intervention, additional care services and carer training. The object of this is to improve the quality of life for people suffering from this debilitating condition. The seniors concession allowance will be extended to more than 44,000 gold card holders who are of veteran pension age and who do not already receive the allowance or the twice-yearly utilities allowance. The three per cent tariff on imported business inputs that do not have substitutes manufactured in Australia will be abolished. This will cut costs and improve the competitiveness of thousands of Australian businesses. I am very pleased that the preceding speaker from the Labor Party—the member for Calwell—recognised this fact.

Twenty-four Australian technical colleges will be established. These will provide quality education and trade training for senior secondary students. An additional 5,000 places will be provided through the New Apprenticeships Access Program. A new Welfare to Work program will invest $3.6 billion to increase work force participation by people with disabilities, parents, the long-term unemployed and mature age people on income support. Critically, existing
recipients of the disability support pension and parenting payment will not lose access to their payments. These measures will be supported by an additional 14,700 rehabilitation service places, 84,300 child-care places and a new $48 million employment preparation service.

A new Future Fund will begin to fund liabilities which have already been incurred but not yet provided for. Earnings will accumulate in the fund, which will be safeguarded by legislation and managed by a statutory independent board. Additional investments in the AusLink program will bring government’s five-year investment in upgrading Australia’s transport infrastructure to $12 billion. The government is also providing an additional $150 million to expand the Roads to Recovery program and $90 million to continue the Road Safety Black Spot program.

As I said at the outset, this budget is based on the tried and true principles of sound financial management, repaying debt, funding important community programs and long-term priorities, structural reform, tax relief and a positive economic outlook. The government has an ambitious agenda which it has pursued creatively and successfully. Certainly, there is always room for improvement. To admit anything else would be a sign of complacency, but to suggest—as does the Leader of the Opposition—that the government is lazy on reform is a little unreasonable. I think that all politicians are sometimes subject to selective recollection, so we should not be too critical, but the fact is that the golden era of reform about which the Leader of the Opposition waxes so lyrical was characterised by 10 per cent unemployment, double digit inflation, 17 per cent interest rates and a wildly fluctuating economy.

What is also neglected is that, unlike the Liberal Party through much of the 1980s, the Labor Party has led an opposition to all reform and actively frustrated reform in the period of the Howard government at every possible turn. Labor has opposed the measures introduced to return the budget surplus. Labor opposed the overdue reforms to our tax system through 1998 and 1999. Labor has opposed every initiative the government has taken to improve the flexibility and efficiency of Australia’s labour markets. Labor has opposed reforms to increase the affordability of private health insurance and correct the imbalances in the tax system. It has opposed initiatives to revitalise Medicare and bring it into the 21st century and now in this budget it is opposing straightforward tax relief for ordinary Australians. Undoubtedly, the role of the opposition is to oppose but, once you see the list, it may seem that this may be a bit excessive. I commend the bill to the House.

Mr McMULLAN (Fraser) (7.12 pm)—This budget has been described as a budget of missed opportunities. I think that is the correct description. In other debates, I have spoken about the missed opportunities to improve the long-term economic prospects of the nation—missed opportunities like the failure to invest to meet the challenge of the skills shortage, the failure to invest to resolve infrastructure blockages and the failure to invest in business research and development to drive the jobs and exports of the future. I am also deeply disappointed at the failure of the Treasurer to get his proposed Future Fund right. I have been advocating such a fund for years. Here was a unique opportunity to get it right, and all we got was a half-baked, ill thought out proposal which may well do more harm than good in the long term.

Important as those issues are, tonight I want to focus on other missed opportunities, on some things the budget failed to address or, to paraphrase Robert Frost, ‘the roads that were not taken’ in this budget. If an interest or an issue is not addressed in this budget, you can tell
it is an extremely low priority for the Howard government. As Deutsche Bank suggested in May this year in its budget reflections document, as it called it, the government’s starting point for the budget before the decisions took their effect was that the surplus this year would have been $17 billion and $22 billion for the subsequent year. When a government starts with such an extraordinarily large surplus, you can safely conclude that, if any particular spending priority does not feature, it is a pretty low priority for the government.

This evening I want to highlight three of those areas: some specific issues with regard to the arts, some with regard to Indigenous affairs and some with regard to the rapidly developing fight against global poverty. In the area of arts policy, there is virtually no initiative in the budget and certainly no reform at all. What we see is an array of missed opportunities. There are, for example, many reports that have been presented to the government over recent years which have made recommendations about arts policy which the government continues to ignore. I want to refer to one of those and then to another issue which this budget fails to address and which the government will need to do something about during this financial year.

The first arts issue is the question of resale royalties for visual artists as recommended in the Myer report. The government has indicated some positive attitude towards this excellent recommendation from what was a very good report prepared by Rupert Myer. For years, people have said that resale royalties for visual artists will in some way be a deterrent to the arts market. They will be an inhibition on purchasers. I thought the choice of Rupert Myer as the person to write the report was a reasonably good recommendation right from the start. Then I had the chance to meet with him, and I was very impressed and thought that he brought a lot of strengths to the report. In particular, one thing he brought was the experience of someone who has been very significantly involved in the arts acquisition end. The Myer Foundation and the Myer family have been very big participants in the arts market. If he can cut through and see that having resale royalties for visual artists is a correct principle in recognising the right of an artist to benefit as the value of their art increases and recognise that it will not in fact be a deterrent in the market if properly introduced, it is time the government actually got involved and implemented this important principle.

It is not that we do not know how to do it; it has been done around the world. We would not be the first to do it. We do not have to break new ground. All we have to do is put into effect the policy that Rupert Myer recommended. I strongly urge the government to take that step. It is very important for visual artists in general and particularly for Indigenous artists. Many of us know stories of artworks sold originally for a small price by an artist living in poverty while the art resells for hundreds of thousands of dollars, and from that transaction the creator of the art gains nothing. That is the first thing I want to speak about and urge the government to do something about.

I want to refer to a positive thing about the arts before I go on to my second concern. I acknowledge and welcome the funding for orchestras in this budget and, in a parochial sense, the first very small but nevertheless welcome recognition of support for the Canberra Symphony Orchestra. My concern is that what this welcome initiative in support of orchestras displays is an attitude that permeates the arts and is reflected in the next issue I want to raise—that is, that the government are not really focused in this area. They allow crises to develop and then they expect to get applause for responding to the crises that they allowed to develop in the first place.
The crisis I want to refer to now relates to the cash crisis for the ABC, which is leading to a collapse in the production of local drama. I refer in particular to an article by Amanda Meade in the Australian of 19 May. I will be quoting extensively from that article but I will also be referring to some other discussions I have had with senior ABC people. They were private discussions, so I certainly will not be disclosing the names of the individuals. But very senior people in the ABC have confirmed the accuracy of this report. The article says:

The ABC will stop producing Australian drama altogether if the federal Government does not increase its triennial funding this year ...

That is a warning from the Managing Director of the ABC, Russell Balding. There is a quote from him:

The ABC is nearing the day when it will not be able to commission any Australian drama at all because of the cost and the funding restraints ...

The ABC had local drama output in 2001 of 102 hours; in 2004, it was 21 hours. That is an 80 per cent fall. I repeat the alarming situation whereby the ABC might ‘stop producing Australian drama altogether’. It has now fallen behind the production performance of the commercial television channels. It is lagging a long way behind. In fact, if it were bound by the requirements that the commercial channels face to produce a certain proportion of local drama, it would be in breach of those. The article refers to ‘high-end drama’, high-end drama being about quality, and ‘long-form drama’. Long-form drama includes long-running series like GP, Police Rescue and the other innovative programs that have transformed Australians’ recognition of themselves and their society and have made a big contribution to our understanding of who we are and what we do. Long-form drama, which is in crisis, is significant culturally and significant in terms of opportunity for not just actors—although we all see television shows as jobs for actors—but the musicians, writers, technicians and a whole range of people who produce these dramas and create the basis for the successful film industry of which Australians are so proud. That will be in jeopardy if we do not get that core building block of ABC drama production right. I know there is a triennial review of the ABC funding this financial year and I urge the government to do something to ensure that we re-establish the necessary basis for drama production by the ABC.

I want to briefly turn to the issue of global poverty. It is very hard to deal with it briefly as it is such an enormous issue, but I have had other opportunities elsewhere to speak on it so I will be brief tonight. The international community, through the United Nations, set down in 2000 the Millennium Development Goals—eight specific goals—and a timetable to achieve them by 2015. Since then there has been a great international debate about the best way forward, the best route to achieve these shared objectives, and the Australian government—the Howard government—has been noticeable by its absence in that debate. There have been some positive initiatives in this area by the government. I support what it has done with the Regional Assistance Mission to the Solomon Islands and its attempts to inject improved aid performance into Papua New Guinea. It has run into some problems there but nevertheless I support both of those initiatives. I think the humanitarian response to the tsunami was correct both in magnitude and method and I was pleased to hear today—as I know you were, Mr Deputy Speaker Quick, from previous conversations we have had—the statement by the Treasurer indicating support for the debt relief initiative outlined by the G7. He referred to it as the G8 but in terms of this particular decision it is the G7. But all those initiatives, welcome
as they are, are missing the main game, which is how best to provide the additional funds re-
quired to achieve the Millennium Development Goals by 2015.

It is a great disappointment to me that Australia was one of the few developed countries to 
fail to make any significant commitment to increased funding to meet the Millennium Devel-
opment Goals at the Monterey summit to discuss these issues. Nothing has been heard from 
the Treasurer about British Chancellor of the Exchequer Gordon Brown’s important proposal 
for an international finance facility. This is the best option around. There has been a lot of de-
bate, hyperbole and wild speculation about what might be able to be done to fund the 
achievement of these important goals. Broadly put, they can be summarised as trying to attack 
systematically the problem of global poverty and the collapse in living standards of people in 
the poorest developing countries, most particularly in but not only in Africa. I strongly sup-
port the international finance facility although I do not think it is perfect. If I had my way, it 
would be slightly modified, but it is a way to take advantage of the commitments that most of 
the developed countries made at Monterey and subsequently to increase their aid funding. 
However, that aid increase will be too slow to achieve the Millennium Development Goals by 
2015 and the international finance facility is front-end loading that allows international bor-
rowing with government credit ratings so that the money can be borrowed cheaply and made 
available in an early and predictable manner to the developed countries while the repayment 
becomes the responsibility of the developed countries through their increased aid commit-
ment.

That is a very abbreviated summary of this important initiative, but we have not heard a 
word from the Treasurer and the Howard government about this. There are many other pro-
posals around, but this is the only one I can see that has a realistic chance of success in driv-
ing significant, additional, predictable funds early enough to contribute to the internationally 
laudable goal of ‘making poverty history’. It is the biggest international finance issue in the 
world at the moment, but the Treasurer seems to be struck mute—which is not a problem he 
seems to suffer from often. He either does not have a view about it, cannot get the Prime Min-
ister to agree with his view or does not want Australians to know what his view is. It is time 
the Treasurer made it clear whether he is going to support this proposal, because it needs sup-
port if it is going to succeed and flourish.

It is not the only good idea around. The Americans have proposed the Millennium Chal-
lenge Account, which I think has some positive features. It is a bit controversial—not many 
people on my side of politics around the world support it—but I think it has some positive 
features. It is distinctly additional; it is grant based, not loan-based; it is untied; it is based on 
objective criteria for targeting the countries that can use the money well; and it is targeted at 
the lowest income countries. I do not think the criteria are quite right for Australia; if I were 
doing it, I would not go for exactly the same criteria. If Australia were to accept it, we should 
of course vary it to have more focus on some of the countries in our region, particularly in the 
Pacific. I think that one or the other, or both, of those initiatives needs to be supported by Aus-
tralia so that we are making a more concrete contribution to achieving the Millennium Devel-
opment Goals.

Finally, I suggest that an approach similar to that taken in the fight on global poverty be 
taken on Indigenous issues here in Australia, and tonight I want to focus on Indigenous health. 
We need to set down specific goals and timetables for outcomes on key issues concerning the
relative living standards of Indigenous Australians—similar to the Millennium Development Goals that have been set down to deal with those suffering from massive global disadvantage—so that we can measure our success against those goals and timetables. We are always talking about inputs in Indigenous affairs, but we ought to be talking about outputs, achievements and how we are going against reasonable targets—and we are not doing well.

Starting with health, I applaud the Australian Medical Association. They have been doing a great job over recent years in highlighting the issue of Indigenous health. In 2002 they exposed what some of us knew but what was not significantly recognised: the large and growing gap in life expectancy between Indigenous and non-Indigenous Australians. Let us be honest about it: we have world’s worst practice here. There are essentially four countries that are in similar circumstances in terms of their colonial experience and the relationship between their indigenous population and their non-indigenous population: New Zealand, Canada, the United States and Australia. The gap in life expectancy between Indigenous and non-indigenous people is wider in Australia than in any of those other three countries. In the other three countries it is narrowing, but in Australia it is getting wider. We have to acknowledge that reality. I am not trying to make a political point against the government: this has been a problem for a long time. But we are not being honest with ourselves. In 2002 the AMA did the right thing by highlighting the problem. In the following year they explicitly said, ‘It is clear that the funding to deal with the issue is inadequate, and nothing is being done’—and effectively nothing has been done since. In 2004 they talked about the important issue of the shortage of Indigenous medical staff in the work force. They were talking about doctors and nurses, but I think it is also true for dentists.

In 2005 they have raised the issue of low birth weight children and premature babies. They have pointed out that the program they want to focus on to reduce the number of low birth weight and premature babies amongst Indigenous families could be done for $20 million per year. In this budget, the starting-point surplus was $20 billion per year. The AMA have put forward a modest, achievable program to deal with the crisis of low birth weight and premature babies amongst Indigenous women for $20 million a year. The government have not taken it up and it is time they did.

There are some issues we need to set specific goals for—life expectancy, an Indigenous medical work force and low birth weight and premature babies—so that we can narrow the life expectancy gap and lift the birth weight of Indigenous children. There are other areas, if we were setting goals, where we would want to do it—health, education and housing. But let us start by setting down some of these goals and seeing how we might address them. In its most recent report, the AMA said, ‘Indigenous children are more than twice as likely to be born with low birth weight as non-Indigenous babies, putting 1,140 children a year at physical and developmental disadvantage.’ This points to some of the ongoing crises in Indigenous health—for example, renal failure, obesity and high blood pressure. These issues are often caused by malnutrition of the baby while it is in the mother’s womb.

We are seeing long-term crises costing a lot of money, if you want to look at in those terms, and having profound and disturbing social consequences for Indigenous communities, particularly remote communities. But this report makes very clear that this is a serious problem for Indigenous people in urban environments as well. We need to adopt, as a national goal, the improvement of Aboriginal and Torres Strait Islander child health. The number of low birth
weight babies and the number of premature deliveries should be set as indicators to monitor
the achievement of this goal. As the AMA says, it is quite simple: a program which does not
reduce these two indicators is a program that is not working. I commend the AMA for their
work on the issues of life expectancy and low birth weight children. Let us face the difficult
task. We have failed badly in this area; we are going backwards instead of forwards. There are
some manageable, achievable, short-term things we can do and there are some long-term
goals we need to set because this is a crisis in our country that we cannot allow to continue.

Mrs ELSON (Forde) (7.32 pm)—I am very happy to be given this opportunity to speak on
the 2005-06 federal budget. This budget, like the nine before delivered by the Treasurer, con-
tinues this government’s commitment to ensuring Australia has a strong future. I take this op-
portunity to congratulate the Treasurer on another excellent budget and on his contribution to
the future of our great nation. This budget will secure the future for our children, as well as
provide real assistance for all Australians right now. The responsible economic management
of this government has seen $90 billion of Labor’s $96 billion government debt repaid, which,
I might add, saves us $5.5 billion in interest per year. Inflation has been halved, our interest
rates have reduced and we have the lowest unemployment rate in 28 years.

This budget also delivers some very important benefits for Australians right now. The per-
sonal tax cuts for all Australians appear to be the issue that is causing the most controversy,
with Labor Party members divided on this issue. They had their chance here in the House,
only a week and a half ago, to say to the Australian taxpayers, ‘Yes, we will vote for tax cuts
and make sure you will receive your increase in your take-home pay from 1 July.’ But, as we
all know, they said no. They deliberately set out to cause uncertainty to the taxpayer and the
Australia business community. Why? Because they wanted to implement their own policy, a
$12-a-week tax cut. You may ask: what is wrong with that? The catch is they were deferring
these tax cuts till 2008. Forgive me, but this sounds very much like an I-a-w policy. They want
to wait until after the next election. Fair enough, they can wait. If they are elected—and it is a
big if—then they can implement their policies. But, until then, the Howard government was
elected to govern and to bring down responsible policies.

I can assure the members opposite that the constituents of my electorate are hopping mad at
the Labor Party’s delay tactics that may stop them from taking home more money in their pay
packets now and not until 2008. They know, as well as I, that it would be expected that the
opposition vote against tax increases. But not in your wildest imagination would you ever
expect them to vote against taking home more money for our working Australians. I urge the
opposition leader to make amends and advise the Labor Party in the Senate that he has made a
mistake and that they should support the salary workers of Australia and pass this bill quite
swiftly.

I must congratulate our Treasurer, Peter Costello, on this package as it will provide $21.7
billion in tax cuts over four years and will ensure that 80 per cent of our taxpayers will not
pay a marginal tax rate above 30 per cent. Labor is busy saying that these tax cuts are only for
the wealthy. However, they are designed to ensure everybody receives benefits and to provide
incentives to those who are paying the highest tax rates. As the Treasurer reminded us in the
House today, the taxpayer receiving $65 a week tax cut is only receiving 20 per cent tax re-
bate while the receiver of the $6 a week tax cut is receiving a 50 per cent tax rebate.
The budget is about rewarding hard work and encouraging participation, which brings me to the new Welfare to Work program. The greatest thing you can do for the unemployed is to give them a job that gives them a feeling of self-worth and a chance to better themselves, earn an income and make plans for their future. They all deserve this. The welfare to work measures are not about forcing people who are not capable of working into the work force; they are about ensuring able-bodied people of working age are given the opportunity to gain skills in full-time or part-time work and about promoting a stronger culture of self-sufficiency. While it is clearly understood that people who are unable to find work deserve support from those who are working, those who are working should not have to support those who are capable of working and will not.

On the other hand, I have spoken to many parents who have stayed home and raised their children only to find that when the children have grown up and moved out it is almost impossible to find a job because they have not been in the work force for around 20 years and therefore do not have the skills that employers are looking for. The welfare to work measures will assist workers with disabilities, with more than 20,000 new places under the disability employment assistance plan. The new employment preparation service will assist parents with a support service, including skill assessments and training, to help them back into the work force.

I am also pleased that Work for the Dole programs will continue and may become compulsory for very long-term unemployed people. I have had the honour to be involved with many Work for the Dole programs in my electorate of Forde over the years and I am always amazed at the confidence of and the skills learnt by the participants, and their pride in the important work they contribute to our community groups. On a regular basis I have men and women approaching me and thanking the government for giving them the opportunity to prove themselves. I believe this is a step in the right direction to encourage participation in society and a contribution to our nation’s prosperity.

Families are the cornerstone of our society and I am delighted that parents once again have been recognised for the important job that they continue to do every day by raising their children. Having raised eight children I know the many challenges faced by parents—not just financially. I am pleased to be part of a government that recognises the importance and the value of the efforts of parents and recognises that they are providing an enormous contribution to our nation’s future.

The continuation of the $600 per child family tax benefit bonus I know will be welcomed by parents in Forde, and the increase of the income threshold at which the maximum rate of family tax benefit A is payable will provide 400,000 families with an extra $12 per week in higher benefits. Parents raising children certainly know of the importance of obtaining child care, so I know the extra 87,800 child-care places will be welcomed. The continuation of the 30 per cent child-care rebate will continue to ensure that the cost of child care remains affordable.

I am also pleased that provisions have been made for grandparents to gain access to child-care benefits. I know of many grandparents in my electorate who are raising their grandchildren alone. They thank this government for listening to their concerns and reacting in this positive manner. I am sure this support will help make things a little easier for them. I would like to congratulate them on their commitment to their grandchildren. At a time in their lives...
when they should be taking things a bit easier they have committed to do the best thing for their family and forgo their retirement plans to ensure that their grandchildren have a stable and secure family life.

As I stated earlier, unemployment is at its lowest rate in 28 years at just 5.1 per cent, so it is essential that investment be made in higher skill levels to ensure that employers are able to obtain the skilled labour they need for the future. This budget delivers 4,500 prevocational places for people wanting to pursue a trade career, and a further 7,000 school based new apprenticeships. These school based apprenticeships will encourage young people to stay at school and finish their education, and will give students a definite career path along with experience training in a trade. This program gives them choices while they are continuing their education. This also builds on commitments made during the election for the establishment of 24 technical colleges and extending Youth Allowance, Austudy and Abstudy for over-25s for apprenticeships.

Three of my sons are tradesmen and I am proud of their profession and the pride they have in their work. I believe it is important that we present trades as a real option for our young people who may not be university minded. By encouraging them to be involved while still at school, we will be successful in boosting the skilled labour in Australia.

This budget also recognises our ageing population. Because of our strong economic management, the Howard government are able to invest $45 billion in health and aged care this year. I am also pleased that importance has been placed on early intervention, additional care services and care training to improve the quality of life of people suffering from dementia. I also welcome the $196 million that is being invested in cancer-screening programs. These are two diseases that affect the daily lives of so many families in our communities. It is a step in the right direction to put programs in place to increase awareness and support patient, family and carers. This budget also recognises the valuable role filled by our carers, by continuing the $1,000 bonus for carer payment recipients and the $600 bonus for those receiving carer allowance.

As I have said, this is a budget about preparing for the future, and this government has taken seriously its commitment to do that by setting up a Future Fund. It is anticipated that the number of people over 65 will double in the next 40 years. This will cause enormous pressure on those in the work force who will be relied upon to provide pensions, aged care and health payments. The Future Fund is being set up so that future generations will not have to pay liabilities incurred by our generation. The fund will be the first of its kind and will be independently managed to ensure that future governments will not be able to squander the money. It is pleasing to see a government not just worried about what is happening now but also concerned about how we are going to afford to pay for things in the future. I commend the Treasurer on this initiative. Once again, this is only possible through the sound economic management that the coalition has displayed over the past nine years.

This budget also brought down many other significant changes, but I do not have sufficient time today to speak about them all. Briefly, though, I welcome the improvements for small businesses, including the removal of the three per cent tariff applying to business imports; the renewing of funds for small business programs, including small business assistance programs, small business monitoring programs and the succession program; and the recently launched Business Entry Point web site—a great asset for any person wanting to start a business. There
is increased funding for the Defence Force, up from $10.6 billion in 1995-96 to $17.5 billion in 2005-06. I also welcome the $86.2 million upgrade of the Canungra Land Warfare Centre in my electorate.

Through the budget, the government are ensuring our health programs are sustainable, rather than leaving the burden for future generations. We are boosting our national security funding, continuing to deliver on the comprehensive AusLink land transport program and protecting our environment by providing $200 million over five years in community water grants, $40 million towards the National Weeds Strategy, $43 million to combat illegal fishing in northern Australian waters and $24 million to eradicate the red fire ant.

I am very honoured to stand here today as a member of the government. Having balanced the budget, we have been able to deliver real practical benefits to Australia like tax cuts, increased family benefits and child-care places, better aged care, more apprenticeships, the Future Fund—the list goes on. These benefits are real and, whilst providing for the future, they are also helping to make a real difference in the lives of ordinary Australians today. I am pleased to commend these appropriation bills to the House.

Ms BIRD (Cunningham) (7.44 pm)—I hope that the previous speaker knew that you get 20 minutes to speak on this, so if she had wanted to extend her comments there was plenty of opportunity to do so. Budgets are clearly an indication of a government’s priority. It is the one piece of legislation that comes before us each year where we see, laid out, how the government view the future of the country and how they intend to try to advance that over the subsequent 12 months. I have been in this House for eight months and I have found it particularly interesting to observe what I thought was a schizophrenic characteristic of this government. It appeared that the messages were very mixed, and this budget seems to reinforce that. I thought this was a pro family government. Listening to the rhetoric and seeing some of the policy positions the government have put in place, such as family tax benefits, it seemed that this was a government who said, ‘We value people being at home and bringing up their kids; indeed, that is something that governments should support as an investment in our future.’ Then I heard the budget speech and I realised that does not apply to single mothers. If you are a single mother and your child turns six, you are no longer making a valuable contribution to society; indeed, you should be back in the workforce. I found the two messages rather conflicting.

A similar sort of thing could be seen in the government’s commitment to choice. I thought this was a government who sincerely believed in choice and believed that people should be freed of the shackles of impositions which denied them the opportunity to make decisions and to be self-determining in how they take their lives forward. Indeed, much of the rhetoric around industrial relations and so forth has been about giving people real choice—except, of course, if you want to make the choice, as a small business, to be represented by a trade union organisation. Again, I thought that was a slightly schizophrenic position for the government to be putting forward—unless you had two potential leaders, which could perhaps be contributing to that schizophrenic tendency.

However, when you look in all seriousness at this budget you will see a government that is about picking winners that suit its perception of how people should live their lives. What this government does is the most extensive and blatant social engineering that we have seen for an awfully long time. I find that a particularly interesting development, given that we have had a

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good many decades of conservative party criticism of the Labor Party and progressive parties for being social engineers. It seems to me that this particular government takes the cake for achieving the greatest capacity to socially engineer the lives of families, communities and individuals in this country.

The government has made a great deal—as did the former speaker—of the fact that it is proposing tax cuts and an extension of family tax benefits. All of this, as the Treasurer and the Prime Minister have said consistently in the House, is about the fact that they are the best friends of whoever you want to name, but particularly of workers and lower and middle income earners in Australia. Budgets are not just about figures and rhetoric. If you talk to people out there in the community about how they feel about their financial positions, you find that it is not all smiles; it is not all wine and roses. In fact, the vast majority of families will tell you that they feel as if they are barely keeping their heads above water.

Despite all the claims that the government make about increased wages and the wonders of the family tax benefit scheme, families still feel under enormous financial pressure and they still feel that they can barely cover their living expenses. Indeed, that is reflected in the fact that we now have one of the highest rates of credit card debt we have ever seen and one of the lowest levels of household savings that we have seen for a long time. Indeed, we have a real problem with the level of consumption driving inflation in the economy.

The reality for many families—and this is something that I spoke about in my first speech in this place—is that they are balancing one form of credit with another. In many areas the cost of housing has skyrocketed over the last 10 years. Whilst that gives a level of wealth investment for those who own a home, for those who are entering the market the loss of housing affordability has become a real burden. For young families the capacity to service a mortgage is a serious issue. Quite often they finance their other costs of living on the credit card. That is a very concerning issue which we should all be coming to terms with. What it means is that, when you go through the large new housing estates in suburbs throughout my electorate—and indeed the electorate of my colleague the member for Throsby—you see mansions built by people because they could access credit. Within two years you see a ‘for sale’ sign going up. This is happening because families are accessing credit to the point where they are under pressure. They are then having to finance their lifestyle on credit cards, with the resultant increase in financial pressure.

I would suggest to the government that while they are enjoying the claims of their tremendous achievements they are also sensitive to the fact that there are an awful lot of people in lower and middle-income Australia who do not believe that they have never been better off financially and will not reflect that when you ask them how they are coping. Much of that is driven by the fact that the cost of living has increased so significantly for them.

One of the most extensive responses that I have had to any discussion in my electorate in the six months of this year was on the issue of private health insurance costs. The government said to people when it brought in its Lifetime Health Cover: ‘Yes, there is a stick in this. You have to join private health insurance, but it’s really not going to be that difficult to deal with because forcing all the people over the age of 30 into some sort of private health insurance will, by sheer numbers, ensure that the cost of the premiums will come down.’ That was four years ago. Not once have we seen a decrease in the cost of premiums. When I was critical in the local media about this and about the fact that I think it is one of the biggest con jobs we
have ever seen, I was inundated with people ringing me to complain about the fact that, while
the health minister had approved an average eight per cent increase in private health insurance
premiums, most people had seen a 14 to 22 per cent increase. When I asked them what effect
this had on their decision making, the majority—maybe 60 to 70 per cent—said to me directly
that they were now considering letting their private health insurance go. It had reached the
point where they could no longer afford to service the premiums on a fortnightly or monthly
basis. That is the reality of the costs of living for many people in our communities.

In my electorate we have the largest commuter corridor in Australia. There are 16,000 peo-
ple travelling from Wollongong and surrounds to Sydney every day for work. Many of them
use the train, but the vast bulk of them drive. I can tell you that they are pretty upset about
petrol prices cutting into the family budget. There is also the impact of the GST, particularly
on services. I hear people say: ‘When I take my car down to be serviced I now pay 10 per cent
on the labour. That is something I never had to do before.’ When you add the cumulative ef-
fect of all of these cost of living increases, you find that people do not feel like things have
never been better—in fact, quite the opposite. People feel under pressure and financially
squeezed. Why that matters to us as an economy is that people are not saving. When people
are not saving it does not just make their individual and family futures less secure; it is not a
good outcome for the nation.

In terms of the tax legislation and Labor’s proposal, which is still before the Senate, we be-
lieve that the arrangements for tax cuts put forward by the government are incorrectly bal-
anced. Quite simply, we do not feel that the government have got the mix right. In fact, the
level of income tax cuts at the top end of the scale is overly generous and at the lower and
middle points of the scale it could be more generous. As a result, we have put together an al-
ternative tax package.

We could argue the tactics of that within the opposition and with the government—indeed,
many in the government would probably like to argue the tactics because it takes the issue of
tax cuts away from the proposal that Labor have put forward. I know that the government feel
that we are on a loser here, that we cannot get support for this proposal, that people just see it
as not providing them with their tax cuts on 1 July and that we are playing around with tac-
tics. Why? Because the reality is that, if you ask people, ‘Do you want $6 or $12?’, quite
clearly they will go for the option of $12. If you ask people like us, who sit in this House, ‘Do
you want $65 or $40?’ we will probably say that we want $65.

In my electorate, the percentage of people who will be able to access the top level tax cuts
and who will be better off under the government’s tax policy program than ours is 5.1 per
cent. The other 95-odd per cent of people in my electorate would get a bigger tax cut under
Labor’s proposal. The Daily Telegraph conducted a poll after running story after story and
headline after headline criticising Labor’s position on tax. I do not remember seeing a single
word in support of what we were putting forward in our alternative tax policy. When asked,
‘Should Labor oppose the government’s tax cuts?’, 52 per cent of people said, ‘Yes’. And that
was after a concerted effort by the Daily Telegraph to ridicule and denigrate the package that
we were putting forward. So I would suggest to the government that, whilst it is easy to take
cheap shots in this place, the vast bulk of people in the community would very much like to
see a greater tax increase than the government is offering. Given that we are offering a bigger
tax cut to everybody earning up to $105,000, that would probably apply in most electorates, as in mine, to 90 to 95 per cent of the electorate.

The other issue that I want to touch on in the budget priorities is the Welfare to Work program. I have already touched on that briefly in terms of the government picking and choosing winners. There are two areas that the government specifically talks about in its proposed reforms for welfare to work in this budget package. One area concerns single-parent payment recipients. The member for Forde made the comment earlier that many parents who stay at home while bringing up their kids and who wait until their kids are 16 or 18 before going back into the work force find that they have lost skills and that returning to work is very difficult.

In many ways I would agree with that argument and I would certainly encourage women to seriously consider going back into the work force earlier, perhaps on a part-time basis, in order to maintain current skills in the work force. The reality is that the vast bulk of single parents do exactly that. If they have the opportunity to take up work that fits in with school requirements and is within a system where they are able to access child-care services, the vast bulk of single parents do take up work opportunities. Why do they do that? For all the reasons the rest of us do. They do so not only for financial security and career security to keep their skills up to date but also for the social interaction and the capacity to establish friendships and a broader support circle, which many of us rely on in our workplaces. In this place we probably get a slightly biased view of the nature of supportive workplaces. That is the reality for many single parents. Many parents are unable to access work, not because they do not want to do so but because they do not want to access appropriate work to support their role as a parent bringing up children by themselves.

If the government wants to talk about incentive measures to support those people—and I notice there is an indication that more money will be put into child-care places—that is fine and good and I would support it entirely. I would also support the message to single parents to consider the importance of keeping their job skills up to date. But to then come out and say that those new people going onto the pension who have not done that will be punished when their children turn six is counterproductive. It is against the family-friendly policies the government claims it stands for. It is unnecessary.

If there is a percentage of recalcitrant single parents who never want to go back to work, it is a very small percentage. The vast bulk of single parents certainly want to be in the work force. I think that the government’s proposal to put them onto this new form of Newstart, which will significantly decrease the family income, is not a productive way to go. In fact, to me it really smacks of the picking and choosing of winners that I referred to earlier. The government is deciding which families are worthy of support and which are not. It is a form of social engineering that leaves us for dead, to be honest.

The other group that the government is talking about with its welfare to work reforms is disability support pensioners. The government makes the statement that people do not need to panic if they are already on this program because a grandfather clause is in place and it will only apply to new people coming into the system. I find that a fairly distasteful argument to put anyway. I think that saying to people: ‘Don’t worry. Look after yourself. You’re fine. You’ll be okay. Don’t worry about anybody else that might enter those circumstances,’ is distasteful in itself. It also seems to reflect a lack of understanding about the reality of disability

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for many people. I have in mind a young woman that I have been dealing with who is on the DSP as a result of mental health issues. She is an architect. Because of her illness she can work for stretches of 12 or 18 months at a time before she experiences another episode that requires her to be out of the work force for perhaps two, three or four months. What concerns me is whether, when she goes back onto the payment because she is unable to work, she will come under the proposed new regime and its implications.

Generally speaking, the disability support pension people that I have spoken to, people who come to my office, do not object to the concept of doing some work, but they live, by and large, on very narrow means; they barely make ends meet. I believe that supporting them into work with, again, a stick as well as a carrot approach was an unnecessary decision by the government. Certainly the carrots—the opportunities, the support and the training—are welcome, but I do not see why you need to get a stick out to these people and say that they are going to be in effect financially disadvantaged by going in and out of work, as would occur in these sorts of circumstances.

I think the number of representations I have had from people with family tax debts will be well and truly overridden by people in our offices asking for some sort of help with understanding this new two-tier and more complex regime of welfare payments. I would anticipate that even government members are not going to find a great deal of joy in the long term as they deal with people coming into their offices.

Finally, I want to touch on the growing inequality of income in our communities, which concerns me. It is something I mentioned briefly in my first speech. St Vincent de Paul recently released a report indicating that the income gap is growing worse in Australia; that people are relying on irregular, unreliable, casual, short-term work; that they find it harder to plan for the long term; and that they often suffer financially when one event goes wrong in the family in terms of income earning and they end up at St Vinnies’s door. Thank heavens that people like St Vinnies and the Salvos are there, but I think this budget will only contribute to a growing workload for those organisations rather than what was in effect a very great lost opportunity to invest in skills and infrastructure for the future. (Time expired)

Ms PANOPoulos (Indi) (8.05 pm)—I rise with great pleasure to speak on the appropriation bills. Before I address the bills in some depth it would be remiss of me not to comment on some of the quite bizarre statements by the member for Cunningham. She complained about people building huge mansions. One wonders what the Labor Party is proposing. The member for Cunningham talked about social engineering. How bizarre to criticise people over the size of the house they build. Perhaps the member for Cunningham proposes a particular tax on a certain size of house. Perhaps she can come up with a proposal to add to the lack of policies from her party that have any serious consideration in the community.

The member for Cunningham also complained about the cost of living. Where has the member been? This government has delivered the trifecta of low inflation, low unemployment and low interest rates. Where was the member for Cunningham when housing interest rates reached 17 per cent and when business interest rates were over 20 per cent? Then there was the whinging about petrol prices. I do believe it was the Labor Party that indexed petrol excise and I do believe it was this government that ceased to index petrol excise. Perhaps the member for Cunningham has spent too long on the factional warfare of the Labor Party in New South Wales instead of brushing up on recent political history. Be that as it may.
As the internecine warfare unravels within the Labor Party about their response to the 2005-06 budget, it is worth pondering that this very day will go down in Australian political history as the day when the Labor Party—for a fleeting moment—made the Australian Greens and the Australian Democrats look responsible. Therefore, it is an absolute delight to be speaking on these appropriation bills on this momentous day.

Imagine the forlorn sight on budget night within the Labor Party’s leadership team—all huddled together, all singing from the same hymn sheet in their absurd political strategy, which saw a modern, supposedly democratic political party oppose tax cuts for all Australian workers. There were a few dissenting voices, with the member for Franklin rightly questioning the wisdom of his party’s leadership team when he asked: ‘Why should we delay them getting the six bucks?’ The Premier of Western Australia even went as far as calling the tax cuts ‘excellent’.

But if we go back a bit further, and not too far back, we find that the member for Lilley in his past role—before becoming a rooster—talked about tax cuts under a policy called rollback. Rollback involved a tax cut of about $1 for every Australian. The member for Lilley said, ‘If you are going to miss out on $4, that means a hell of a lot if you have a tight budget.’ He went further, saying that the coalition ‘do not understand what a dollar a week, $2 a week or $4 a week means to someone who is battling’. All of this makes the spectacle of the Australian Labor Party opposing a generous tax cut for seven million Australian workers quite absurd and, in the confused world of Labor Party policies, you have to wonder where it is all headed.

Personal income tax thresholds at both the high and low end of the tax scales will be raised and additional assistance for low-income earners will be provided. It is this government over the last nine years that has reduced taxation for all Australian workers, particularly those on the lower income levels. Over this period workers on about $20,000 a year will have had a reduction in their taxation of over 30 per cent, with workers earning $10,000 receiving a tax cut of over 50 per cent over this government’s term in office.

It is not only through tax cuts that the government has delivered real dollars into the hands of Australian families. About two million families receive family tax benefit part A, with a base rate for each child of over $1,600. Senior Australians will benefit through the raising of the threshold for the senior Australians tax offset, allowing them to keep more of their money before paying any tax.

A particularly important initiative in these bills is the continuation and development of apprenticeships—more school based apprenticeships to further increase apprenticeships and the trade based work force. In my electorate of Indi, with a booming economy and an unemployment rate lower than the national average, this is particularly welcomed. When the Labor Party was last in government, there were 1,040 local apprenticeships. Now that figure is closer to 5,000 in my electorate. The Australian Education Union and the Labor Party are happy to talk down the new apprenticeships. They seem happy only when they are miserable. This opposition flies in the face of research that shows that more than 90 per cent of people who complete a new apprenticeship gain employment within three months of its completion, and yet the Labor Party still complains, still runs down New Apprenticeships and is apparently still living on past glory. It seems to say that, when the economy is going well and there are good figures and good results, that is the result of the Hawke-Keating government and
when things do not appear to be that good it seems to be the result of the Howard-Anderson-
Costello government. It can never seem to make its mind up.

It has been quite fascinating over the last few weeks to listen to some of the members op-
opposite as they seem to hark back, perhaps due to the political doldrums that they find them-

selves in, to the days of the Keating government. It was the member for Lilley who started
reminiscing in an almost romantic manner about those particular days. We were told by the
Labor Party in this chamber that we should hold up Mr Keating and remember and venerate
his legacy. What was the legacy he left? The legacy he left was the recession we had to have.
What was the legacy he left? It was the legacy of political correctness, where ordinary Aus-

tralians, in a cafe or in a pub, felt restrained about what they could say about the society and the
country they lived in. What was the legacy he left? It was the legacy of the snob, the epitome
of the elite—most poignantly when he said, ‘If you're not living in Sydney, you're simply
camping out.’ Apparently all my voters are just camping out, and all other Australians who do
not live in Sydney are camping out. That is the legacy that they want us to uphold. It is a joke.
It is time for the Labor Party to get real, in common parlance. It is time for the Labor Party to
start being a serious opposition. It is what the Australian people deserve, and it is what this
parliament deserves.

I am pleased to be supporting the appropriation bills, particularly as they relate to my elec-
torate. The budget provides over the next year $178 million for the construction of the $524
million Albury-Wodonga freeway and Bandiana link by 2007. I had the great honour to offi-
cially turn the first sod for this project last month. I had the great honour to offi-
cially turn the first sod for this project last month. It is the single biggest road project in coun-
try Australia, with the Commonwealth contributing $518 million of the $524 million. It was a
particular honour because there have been many people of vision who have persevered for
over 40 years to have this major piece of infrastructure built on an iconic Australian highway.
After 40 years, the money is there, the contract has been awarded and construction has com-

carried the upgraded road will bypass 17 sets of traffic lights and five right-angle bends on
the existing highway corridor. Even for those who do not live and work in country Victoria or
southern New South Wales, it is a road of national importance which not only will be of bene-
fit to the growing economic needs of local businesses but will assist with increasing traffic
and transportation, particularly helping to relieve some of the traffic caused by the booming
success of regional businesses. All of this has occurred despite the delays by and politicking
of the Victorian government, whose recalcitrance in assisting with this project led to a signifi-
cant increase in costs. Despite that, the Australian government remained steady and main-
tained their commitment to the completion of this project.

Another very important program that has continued through this budget is the Regional
Partnerships program. We have seen a lot of smarmy attacks by the Labor Party on this par-
ticular program, but I am delighted that the Regional Partnerships program will continue to be
of benefit to the people of Indi. Only last week I met with local olive oil producers in Ruther-
glen to present to them a demonstration cheque for funding through the Regional Partnerships
program. This grant was to assist the local olive oil production industry in north-east Victoria
by giving it access to an olive oil pressing machine to ensure the long-term viability of this
growing niche market in the region. Rutherglen is within the Indigo shire in my electorate.
This shire contains two-thirds of the olive growers in my electorate. The 2005 north-east Vic-
toria regional agribusiness profile report indicates that the rapidly expanding industry is lead-
ing to an increasing number of olive farms that will contribute significantly to north-east Victoria’s agribusiness base. The value of olive oil production in the north-east of Victoria is calculated to grow by between $11 million and $14 ½ million, which is wonderful news for the region and me.

Earlier last week I was in Euroa to present yet another demonstration cheque, this time to the Strathbogie Shire. This was a Regional Partnerships grant to assist its coordinated tourism and marketing strategy for the benefit of the Strathbogie area. In Springhurst earlier this month I met with Kevin McMahon and his team to present a Regional Partnerships funding grant to the fire brigade groups who are responsible for fire control in vast areas of irrigated horticulture and in sheep, beef and wheat farming areas. The vehicle funded will also have flow-on benefits, enabling brigade members to attend meetings and fire prevention activities, including educational activities to help people better prepare for the unfortunate event of fire—an occurrence that the people of Indi are unfortunately all too familiar with.

All these recent announcements—and there have been many others over the three years that I have been the member for Indi—point to the fact that the Regional Partnerships program is doing remarkable things in rural and regional areas. It is kicking goals in the communities that make the most of—and stretch every single dollar that is contained in—these grants. That is why it is important to remember what the Leader of the Opposition says about Regional Partnerships grants. He wants to get rid of them; he wants to get rid of the program. People in my electorate have begged me to keep it. They have said: ‘Sophie, this is an extremely important program. We cannot use other grants to have the flexibility to be able to get the sorts of machinery and facilities that we actually need. Please ensure that the government continues with this program.’ But the Leader of the Opposition wants to do a roll-back on it. Earlier this year the Leader of the Opposition said, ‘The program’s got to go; we are going to fight like blazes between now and the budget to force them to cancel the program.’ He is not alone. The member for Wills, which electorate is in suburban Melbourne, harangues the supposed ‘maladministration’ of the Regional Partnerships program. The member for Throsby, which electorate is in suburban Sydney, talks of the ‘scandal’ of the program that she claims is full of ‘rorts’ whilst the member for Denison sums up Regional Partnerships grants as a ‘disgrace of public administration’. I would invite all of them to come and meet the dozens of recipient organisations in my electorate who have benefited from Regional Partnerships grants and—even more—to speak to the communities who have benefited from these grants. Perhaps they share the feeling about Australia that their glorified former leader had—that if you do not live in Sydney you are camping out.

With all of this disparaging talk it is little wonder that the Australian people entrust the Australian Labor Party with just four rural electorates in Australia. People in rural and regional Australia may not be trendy sorts and may not be politically correct, but they are independent thinkers. They can see a pup when it stares them in the face—and let me tell you, Mr Deputy Speaker, they see this opposition and this opposition leader for the big sulking pups that they are.

One other aspect that particularly affects those of us who live in rural and regional Australia is the environment. Unfortunately, weeds and feral animals play a significant role in destroying our natural environment. If the Victorian government were a private land-holder they would be sued for millions of dollars over their incompetent management of Crown land.
Weeds and feral animals are the greatest threat to the natural environment in Victoria. The state government’s negligent management led to a tremendous build-up of fuel that provided additional fuel for the disastrous fires of 2003 that burnt over 900 million hectares in my electorate, including significant areas of the Alpine National Park. They had the opportunity to right a wrong and start all over again after the fires had stopped, but all we see is an extraordinary attack on those who care for the natural environment in rural Victoria—the mountain cattlemen. All we see is an attack on those bush users who actually look after the natural environment. All we see is an attack on rural land owners who try to look after their neighbour’s property—namely, the Victorian government’s property—as best they can. They get penalised.

The responsibility for weeds particularly and the management of Crown land is squarely that of the Victorian government in my state, but the Commonwealth is coming to the party and this budget does contain $40 million as part of a national weed strategy for the eradication of Australia’s most threatening and invasive weeds. Funds from this strategy will be used for research, biological control and community awareness. I hope—we can be positive—that there may perhaps be a light at the end of the tunnel or on top of the hill or wherever it is, but a light nonetheless, that the Victorian government sees and acts to match the federal government’s commitment to this extraordinary problem that only private land-holders seem to be tackling at the moment in Victoria. I hope they see that the real environmental threats and disasters arise from inadequate control of feral animals and almost no control of weeds.

There is much to commend in the appropriation bills. There is continued and extended recognition for carers—those unsung heroes in our society that deserve extra recognition. Those who receive carer payments and carer allowances will receive $1,000 and $600 respectively. There is a massive increase for child care, which is a great relief to many in my electorate. There are massive increases in out of school hours child-care and family day care places. One pleasing development in child-care provision in the north-east of Victoria in my electorate was the announcement recently that Euroa had been selected for one of the 13 long day care centres established under the Australian government’s long day care initiative scheme. Euroa is one of only 13 new day care places to be established in Australia in this round, and I congratulate the new service—just little people—for their success in making this project a reality.

Of course there is additional funding for aged care. My electorate was a beneficiary recently of a $1 million capital grant to Westmont Aged Care Services in Wodonga, which also received an additional 25 residential aged care beds. (Time expired)

Mr PRICE (Chifley) (8.25 pm)—I am pleased to speak in this appropriations debate, and I thought I would start my contribution by reminding the House of an article in the Blacktown City Sun. It concerns Valentia Gythalovesa, a 16-year-old student from Blacktown Girls High School, who unfortunately has been in detention at Villawood Detention Centre since 7 March this year. I am pleased to say that Bernie David, a Blacktown solicitor, is representing this student pro bono. I commend him because he also represented Sylvester Aben, a student from Rooty Hill High School, who was also in detention at Villawood Detention Centre. I am pleased to say that the students at Rooty Hill High galvanised me into action in trying to get him released from the detention centre. I went out to visit Sylvester and his mother who, although they are in detention, actually came to Australia legally. They were not illegals in Australia when they first came here. Sylvester is a 14-year-old student and, I have to say, a great
guy. He has spent 10 of his 14 years in Australia. He is more Australian than Filipino. For all the cultural connection he has with the Philippines, which is his country of birth, you may as well send him to Saudi Arabia.

I am absolutely delighted that we were successful in getting Sylvester out of Villawood Detention Centre. It is a horrible detention centre. I have been there a couple of times. The irony, though is that, because he has been in the detention centre for some months, he has been charged an accommodation charge which needs to be paid prior to his status being sorted out. There are some unanswered questions in this case. He and his family—his mum and dad—came here legally. His father was undertaking studies. He completed those studies and eventually returned to the Philippines with a view to lodging appropriate papers for the family. Those papers were never lodged. He is actually working on a contract in PNG for the Australian government.

The point I am making is that Sylvester is as Australian as my children are. All his values, all his mates and all his norms are Australian. Not only am I pleased that he is out of Villawood Detention Centre but also I am grateful for the ongoing representation Bernie David provides. I regret that my colleague the honourable member for Greenway has not met with the same success with Valentina. But I do hope, in a most genuine way, that she is successful in getting her out of detention and that she speaks up in the party caucus room and in any subsequent debate in the House for a more humane system that does not have young children and teenagers locked up in detention when we know their health and security do not require it. I look forward to hearing from the honourable member for Greenway. Having wished her success in the quest to get Valentina out, I hope that she might be so moved as to question her government’s approach.

One thing that the member for Greenway and I share, in the Blacktown LGA, is the largest Filipino population in Australia. I am inordinately proud of that fact. They are wonderful people. They make great Australian citizens and are such diligent workers. But I have to say that amongst the more elderly Filipinos there has been great concern and consternation caused by the detention of Australian citizens—that is, people who have come to this country, become permanent residents and become Australian citizens but who then get locked up by the department in detention centres and, in the case of Solon Alvarez, are actually deported from Australia.

Many of the elderly Filipinos who first came here were in fact refugees from a very corrupt Marcos regime. Indeed, Bernie David himself, as a human rights advocate in the Philippines, was locked up under the Marcos regime. These elderly Filipinos do not understand how it is possible for Australian citizens to be locked up in detention centres when, as in the case of Solon Alvarez, not only did the Department of Foreign Affairs know that she was an Australian citizen but in fact so did the Department of Immigration and Multicultural and Indigenous Affairs.

What sort of a country is Australia where we have a department that locks up Australian citizens in detention centres—in some cases, as we know, both in the Solon Alvarez case and in the case of Cornelia Rau, where they are suffering severe mental illness? What sort of a country is it where we give the head of the department a gong—for locking up Australian people in detention centres and, in the case of Solon Alvarez, an Australian citizen originally from the Philippines, actually deporting them?
We know—it is on the public record—that there are 200 other cases that are subject to an inquiry. And we know that Mr Palmer, charged with inquiring into them, does not have the resources or the time to make any recommendations. Mr Deputy Speaker Baldwin, I do not apologise to you and I do not apologise to government members when I say that I think this is absolutely outrageous. We need to get to the bottom of it. We need to have a transparent, open process that fully examines all these cases. I hope that, at the end of it, it will not be the case that we give gongs to more individuals in the department of immigration as a result of their handling of these things. I would hope that there will be no officer who is accountable and responsible for these 200 cases, as well as the two that I have mentioned, who gets a promotion as a result of it—and we know that that is the form of this government.

But I say to you, Mr Deputy Speaker, and to all other honourable members: there are elderly Filipinos in my community who are genuinely perplexed, genuinely concerned. And, I might say, there is a level of fear that if it can happen to Cornelia Rau, if it can happen to Solon Alvarez, then perhaps it can happen to them. I think we need to treat this seriously. I think we need to get to the bottom of it. I sincerely believe that we need to have the royal commission that Laurie Ferguson, the shadow minister, has called for. We need to have an inquiry with power, transparency and authority to get to the very bottom of it.

In the same edition of the *Blacktown Sun*, I was reminded of a quote that I made one week after being elected in 1991. I will read it to you—and please forgive me for indulging myself. It said:

> Chifley MP Roger Price, in his job for less than one week, said his major priority was a public senior high school in Mt Druitt. “Before I finish, it’s the one goal I want to achieve,” he said.

At that stage, of course, I was always very proud that I had been part of a campaign to have the first ever public senior high school established in my electorate. That was St Marys Senior High School, and what an outstanding institution that is. It actually attracts students from private schools to do years 11 and 12 and has outstanding results academically as well as for those who want to go into the world of work.

I am also pleased to say to you, Mr Deputy Speaker, that we did get that senior high school for Mount Druitt: it is Chifley senior high school. It has the best senior campus, I think, in Australia and, although it is only about three years old, I think it is going to make a significant contribution to developing the potential of young people. I have got a terrific crop of young people in my electorate. I believe they are going to benefit from it inordinately. Whilst I am on that subject, there are some differences between the government and the opposition in relation to training. We believe that one of the most important things you can do for the country is to develop the skills of our Australian citizens, not only those who are already in work but also those who are out of work and in particular our young people.

I am pleased to say that I am interested in having more school based apprenticeships. Already the Labor Party have said that we want to encourage more people to complete apprenticeships by offering them a completion allowance: $1,000 in the middle of their apprenticeship and $1,000 upon its completion. In relation to school based apprenticeships—and I am sure the honourable member for Kingsford Smith will agree with me—question time after question time we get lectured about our lack of interest in it. Well, I must say the federal government provides only 20 school based apprenticeships for my electorate and it is not dissimilar in surrounding electorates. In Western Sydney we have a disproportionately high number
of people who see the world of work and TAFE as a way of enhancing their skills. It works out to be not much more than one apprenticeship per high school. I think you would agree, Mr Deputy Speaker, that that is a pretty poor performance. On Friday, I will be having a meeting in my office and I have invited a variety of people to that meeting with a view to exploring how we can increase the number of school based apprenticeships in my electorate.

Talking about being lectured to, one of the other refrains of the government is that Australian interest rates are historically low. That is true; they are historically low. But what the government never says is that Australia’s interest rates are amongst the highest in the developed world. In fact, we have the second highest interest rates in the developed world. I have a chart here, Mr Deputy Speaker, and I am happy to table that for the convenience of honourable members. I seek leave to table the chart.

Leave granted.

Mr PRICE—It shows quite clearly that, with our interest rates in Australia at slightly above seven per cent, they are much higher than in the UK, the US, Canada, Germany, Sweden, Greece, Austria, France, Italy, Portugal, Ireland, Belgium, Spain, Finland, the Netherlands and Japan, all of which have lower interest rates.

When the government talks about interest rates under Labor being 17 per cent, that is true. But what is not said is that the percentage of the mortgage in terms of people’s earnings was even smaller then, even under a 17 per cent rate, than it is today. But we all know we are never going to return to the interest rates at that level and that is a good thing. I must say that during the last election campaign it was the case that many people, listening to the government’s rhetoric, expected there would be low interest rates and no rate increase. Even though there has been a very modest rate increase of 0.25 per cent, it has hurt a lot of people. It has hurt a lot of people in my electorate because they are battlers and they are so proud to get into their homes but even a small increase, given the prices that people pay for homes today, hurts. The Reserve Bank was speculating about the need to increase interest rates by a further quarter of a per cent. That would have hurt new home buyers even more. It is interesting to speculate—and I guess that is all we can do—that interest rates are going to rise in the future, but by how much?

I also want to mention in this debate on the appropriation bills some of the issues that are of concern particularly in terms of our trade performance. Although the Prime Minister, as we heard today, says that our trade performance is impressive, when you look at the record there are areas for concern. We have at the moment Australia’s largest ever current account deficit—$15.4 billion for the March quarter, more than seven per cent of GDP. That is a quite alarming figure. We have had a record 42 monthly trade deficits in a row—I repeat: a record 42 monthly trade deficits in a row. We have had four years in a row of net exports detracting from economic growth, not adding to but detracting. There has been flat-lining of export volume since 2001 and an export growth rate of 5.3 per cent—that sounds pretty healthy but it is less than half of Labor’s export growth at 10.8 per cent. The performance on manufactured exports was even weaker. It was 3.7 per cent under the Howard government compared to 13.7 per cent achieved under Labor.

Who will ever forget the debt trucks in 1996? What we are told in question time is that we should not worry about debt because government debt has been substantially reduced. That is true; I do not argue it. But the truth is that we have a record foreign debt of $425 billion. Mr
Deputy Speaker, if you want to translate that into what it means in your electorate, my electorate, that of the member for Melbourne Ports or that of the member for Kingsford Smith, it means that for every man, woman and child Australia owes $21,056. It is private debt, but it is still there. When we look at our export performance, just to service that debt each year is $20 billion.

Mrs Gash—It is not a government debt.

Mr PRICE—I agree with the honourable member for Gilmore. But what she says is: ‘It doesn’t matter.’

Mrs Gash interjecting—

The DEPUTY SPEAKER (Mr Baldwin)—Order! The member will be heard in silence.

Mr PRICE—I think it is fair enough. I accept the point that the honourable member for Gilmore is making. I have a regard for the honourable member for Gilmore.

The DEPUTY SPEAKER—Unfortunately, the member does not have the right to rule in that direction. He will get on with his speech.

Mr PRICE—But is the member for Gilmore saying that $500 billion is okay or $1,000 billion is okay? It is private debt. We have to service that debt as a nation and it costs us $20 billion. In other words, it is 20 parliament houses every year. We have to find the money that it took to construct this Parliament House 20 times every year and it is growing at an extraordinary rate every month.

There were other matters that I wanted to raise—for example, the fact that Blacktown council mayor Leo Kelly is very concerned that, notwithstanding the fact that the council runs 22 child-care centres, not one dollar has been announced to assist them.

Mr DANBY (Melbourne Ports) (8.45 pm)—There are three things that distinguish this budget. The first is that it rewards government supporters; the second is that it punishes social groups which the government sees as expendable; and the third is that it neglects Australia’s future economic and social needs. In other words, it is a self-indulgent, vindictive and complacent budget.

Let me look first at the government’s tax changes. Many speakers in this debate have drawn attention to the fundamental unfairness of a budget which gives the biggest cuts in taxation to those on six- or seven-figure incomes while tossing $6 a week to those on lower and middle incomes—to the seven million Australians who do most of the work in this country. This is a prize example of the government using a post-election budget to hand out rewards to its own supporters and friends in the hope that, by 2007, the majority of taxpayers who have been shafted by this budget will have forgotten about it.

I represent a relatively wealthy electorate by per capita income, and many of the people in my electorate will get the full tax cut from this budget. I know a lot of them. They are successful people in business and the professions. I have no problem with wealth or success. Many of them are my supporters. I know that most of them—even the wealthiest of them—recognise that a country’s taxation system ought to be based on fairness and that, at a time when profits are high, dividends are high and businesses are doing well, the government ought to be ensuring that the benefits of all this prosperity flow through to all Australians and are not reserved for those at the top of the tax table. Those who have done well out of our
economic system are smart enough to know that capitalism works best when everyone shares in the growth and prosperity that it generates.

If I might digress into theory for a minute, this is the difference between laissez-faire conservatism, doctrinaire socialism and social democracy. The conservative says, ‘Let’s rig the system so that we and our friends get richer, and everyone else can go hang.’ The doctrinaire socialist says, ‘Let’s punish the successful through a confiscatory taxation scheme so that everyone is equally poor.’ The social democrat rejects both of these approaches. The social democrat recognises that only the free market system can generate wealth, but argues that it does so most effectively when wealth is equitably distributed—not equally distributed but equitably distributed, fairly distributed, so that everyone has a stake in the success of the free market.

The principal instrument for achieving equity is the tax system. This government has consistently used the tax system to build more and more inequity into Australian society. This is a dangerous game because it jeopardises the social consensus in favour of the free market system, something the Hawke and Keating governments in their pro-market reforms of the 1980s were careful to maintain. That is why I support the alternative tax proposals of my friend the honourable member for Lilley which provide genuine tax reform within a framework of overall equity.

Whilst some people in my electorate will benefit from this budget’s tax changes, there are also a lot of people in Melbourne Ports who will miss out on its benefits. I am not at the moment talking about the poor, the disabled, the single parents or the unemployed. I am talking about the mass of employees—those on incomes in the order of $50,000 a year—who are paying the great bulk of tax revenue flowing into the government’s coffers and funding government largesse for its friends and supporters. In my electorate, as in most urban electorates, these are the great majority—the responsible, hardworking families who expect a reasonable share of the prosperity which their labour has created. These families have now learned that their share is to be $6 a week. They are not impressed. Even the Daily Telegraph, in an article today, revealed that a lot of people who had been told that this was a workers budget were not impressed. And who can blame them? At the same time as it rewards those who are already doing well, this government—this budget—has continued its usual practice of penalising those who are not doing well and adding to their burdens. This year it is single parents and the disabled who will be required to meet a tougher work test in order to qualify for their benefits.

I am all in favour of encouraging people to work when they are able to, but this budget does not address the real challenges that these people face getting back into the work force, as many of them would like to do if they were able to. Instead, the government intends shifting a large number of people from the parenting payment or the disability pension onto Newstart. As the member for Sydney has pointed out, people on Newstart lose 60c in the dollar for every dollar they earn instead of the 40c they lose on the parenting payment and the disability support pension. This budget thus actually discourages people from moving from welfare to work. In its nine years in office this government has done almost nothing to address this welfare to work interface.

Even more astonishing is the budget’s attempt to force single mothers into the work force by imposing a tougher work test on them while doing almost nothing to tackle the single greatest disincentive for women with children who want to re-enter the work force—the lack
of appropriate and affordable child care. One of the reasons women leave the work force is because it is almost impossible to find child care for children under the age of five. There is an acute child-care shortage in many areas of Australia, particularly in inner city areas such as my electorate, where all the child-care facilities traditionally run by the churches are being closed as the churches choose to reallocate their resources to outer suburban areas and where the very high cost of real estate is a serious disincentive to anyone wanting to build a new child-care centre. At present in my electorate, which runs from Melbourne to St Kilda, approximately 1,300 child-care places are required in the City of Port Phillip alone. The area has a waiting list with approximately 1,600 children on it, a figure which has increased by 41 per cent since May 2004.

A few months ago I spoke to a rally of angry Port Melbourne parents protesting the lack of affordable child care. Their anger had been brought to a head by the imminent closure of the Scott Street Presbyterian kindergarten in Elwood, where I went as a child many years ago, and St Bede’s Anglican Early Learning Centre. I have worked very hard to see that there are alternatives to those two child-care centres, but even if we are successful they simply replace the number of places; they do not expand them. I do not blame the churches for rationalising their resources in this way. I do blame the federal government, which until now has persistently denied there is a child-care crisis.

Now they are proposing to make the situation worse by pushing more women with young children off parenting benefit and into the work force. The government’s solution is to announce funding for 84,300 new out of school hours child-care places in this budget. As the relevant shadow minister, the honourable member for Sydney, has said: ‘We will believe this when we see it. We were promised 40,000 new child-care places in the 2004 budget. We now learn that those places have not even been allocated yet, let alone actually provided to parents.’ The majority of places created this year will not come online until 2008. Half of the funding for these places is not available until 2008-09, but the proposed changes to the parenting benefit come into effect in 2006. So there is a gap of at least two years and probably longer between the extra demand created by the government’s welfare changes and the supposedly new supply to meet that demand. Furthermore, because of this government’s aversion to anything which looks like planning, there is no guarantee that these new child-care places will go to the parents who need them most—those who are being pushed off the parenting benefit by this budget. In fact many of them will go to the more than 30,000 children already on waiting lists, and others will go to affluent parents rather than to those low-income parents who need them the most.

In any case, the real crisis is in the provision of long day care, and this budget does nothing about that at all. There are 174,500 children missing out on the child care which would allow their parents to re-enter the work force. It is a real scandal that not a dollar has been allocated in this budget to long day care. As a result, many parents with young children will be unable to return to work, no matter how much they want to, because of the critical shortages in long day care. We have asked for assurances that single parents will not be kicked off the parenting benefit if they are unable to accept a job offer because of the unavailability of child care or because they cannot afford private child-care services. We have received no such assurances, Mr Deputy Speaker, as you know. If I were a suspicious person, I might conclude that this was all designed to force more people into the arms of the private child-care sector. The big-
gest operator, Mr Eddie Groves, is now a well-known friend of the former president of the Liberal Party in Victoria, who in fact sold him ABC Childcare, and he is a generous donor to the Liberal Party. I am sure that these kinds of considerations never entered into anything, with ABC Childcare owning 23 per cent of all private child care in Australia now!

What do we find when we read the small print of the budget? We find that the government are reducing access to the Jobs, Education and Training program, an excellent program established by the Labor government, which provides child care for people who are undertaking training—the very people the government say they want to encourage. The budget excludes from the JET child-care scheme people whose courses take longer than a year—and many courses do take longer. This is typical of this government’s slapdash, laissez faire attitude to skills and training.

There are currently 1.3 million people on either disability benefit or parenting payment. They are the people the government say they want to move from welfare to work, yet this budget creates only 7,600 new vocational training places for disability support pension recipients. At the same time, the government are proposing to abolish the Australian National Training Authority, one of the most successful programs of the Keating government, apparently purely for reasons of ideology. ANTA is a cooperative venture between the Commonwealth government and the states, and it gets in the way of the desire of the Minister for Education, Science and Training to run everything himself. So it has to go, despite the excellent work it has done in the very area the government claim is a high priority.

Overall, the training measures in this budget are manifestly inadequate. Moving people from welfare to work is a desirable objective but this budget makes no more than a token contribution to that objective. This budget leaves it open to suspicion that the government’s real objective is cutting costs and benefits so that more money is available to hand out to their supporters.

I also want to say something about schools funding. During last year’s election campaign, the minister for education came to the electorate of Melbourne Ports and tried to scare parents, particularly in one section of non-government schools in my electorate—the poorer parochial Jewish schools—by telling them that a Labor government would cut funding to their schools. That was untrue. Under the funding formula announced by Labor none of the schools in Melbourne Ports would have lost its funding. Their funding was guaranteed.

But the minister’s claim was mainly designed to divert attention from the real scandal in school funding in my electorate. During the 2001 election campaign, the then minister, Dr Kemp, came to East St Kilda and promised to review the SES funding formula which grades schools according to the socioeconomic status of the postcode areas in which the parents live. This formula was designed to channel more money to schools like Geelong Grammar, which has many wealthy parents living in non-wealthy rural areas. It has the consequence—if I were charitable I would assume it was an unintended consequence—of disadvantaging poorer parochial Jewish schools, particularly orthodox schools in my electorate, which have mostly non-wealthy parents, many with large families, living in relatively wealthy postcodes such as Caulfield.

Dr Kemp came and saw for himself the disadvantaged circumstances under which some of these schools operate, even though they are classed as wealthy schools because of the postcode area in which the students live. The parents of the children who attend these schools live
in those areas for religious reasons: they have to live in close proximity to synagogues, to which they walk on the weekend, and it is impractical to live further afield. Dr Kemp did nothing. Nothing has been done by his successor, the current minister. For all their promises just before election time, and for all their rhetoric, nothing has been done about this situation in the budget. The parents in Melbourne Ports are still waiting for this government to keep a promise which they made four years ago. How much longer do they have to wait?

I said at the start of my remarks that this is a complacent, self-indulgent, vindictive budget. This budget rewards the government’s friends while punishing those the government do not care about, such as mothers waiting for child care in Elwood and St Kilda. It is a complacent budget because it ignores the looming skills crisis and the looming infrastructure crisis, both of which the government have been warned about many times and which have the potential to derail our strong economy and the sustained growth, which were created by the reforms of the Hawke and Keating governments and on which the government have coasted along, benefiting from them, for nine years.

Australia’s future prosperity depends on developing a world-class infrastructure and a highly trained and educated work force as well as a tax system which gives people incentives to improve their skills and get into the work force. This budget ignores the priorities, concentrating on short-term gratification. It is the budget of a government which has grown complacent, arrogant and lazy—a government which has been in power too long.

I endorse the concerns of the member for Chifley. Given that, as the Leader of the Opposition has said, Australia’s credit card is nearly ‘maxed out’, with over $400 billion in foreign debt, or seven per cent of GDP, it particularly concerns me that, some time soon, when American interest rates increase, foreign investors will see Australia’s very large foreign debt overhang and will demand big increases in Australian interest rates. They could start to pull out of the Australian economy. As the member for Chifley said, one of the most frightening things about the current economic situation is that, even though interest rates are at 5.5 per cent, more than 30 per cent of the average person’s disposable income is spent on mortgage and credit card debt, the same level as when interest rates were at their highest during the recession of the early nineties. Imagine the effect on ordinary people if there were just a small increase in interest rates. With that $400 million foreign debt overhang, we have to maintain a positive differential between our interest rates and American interest rates. Mr Greenspan, in some senses, holds Australia’s future in the palm of his hand, with the unintended consequences of future increases in American interest rates. This country will pay a high price in the long term for this government’s neglect, arrogance and self-satisfaction, which are reflected in this budget.

Mr Brendan O’Connor (Gorton) (9.02 pm)—I am happy to follow the member for Melbourne Ports in my comments on this year’s budget. This is obviously not a budget for the millions of ordinary working families of this country, who expect a number of things of government, one of which is that it be fair or, if required, fix unfairness wherever possible. We have not seen any sign that the government has any regard for ordinary working families—ordinary Australians—in the way it has decided to deliver $24 billion worth of tax cuts. The government may have managed to mesmerise some in the media about potential delays that could arise if the Senate were to delay the tax cuts, but it is very important to focus primarily on the difference in approach between Labor and the government on spending that large
amount of taxpayers’ money—that is, putting it back into the pockets of Australian workers. Labor has looked to have a fairer approach by ensuring that millions of workers would receive twice as much as has been offered by the government. I think that those working people who have come to understand our position have, in the main, supported it, and those who are yet to fully understand it will do so once they have realised the alternative to Labor’s fair position—a very unfair one.

The government likes to dress this up as the politics of envy. If I—or any other member of the parliament—do not agree with the Prime Minister on any tax matter and like to argue for a fairer way to approach it, the government likes to say it is the politics of envy. But it is not; it is the politics of compassion and of ensuring some equity in a system which can accumulate enormous wealth which is not equitably distributed.

So I think it is a fair thing. All social democracies, all liberal democracies, would certainly put at their heart the capacity to intervene in the economy to rectify structural inequities that exist because of the nature of capitalism. It is a longstanding view that governments for many a decade—certainly before World War II and some would say particularly after the Depression—in many Western countries that had a liberal or social democracy would intervene to make fair an unfair outcome of this economic system that we have.

The difference between the current government’s position and ours is relatively stark. It is quite clear that when you are trying to deliver some tax relief to many millions of people it is not easy to raise the amount that you need to deliver to each and every recipient below, say, $50,000 or $60,000 per annum. However, I think the fact that Labor has managed to propose a doubling of the weekly amount is commendable, and the more Australians hear about this the more they will agree that that is important. I do not think we should be supporting a proposition that 40 per cent of the $24 billion goes to the top 10 per cent. It just seems to be grossly unfair.

And, yes, it may sound populist but it is also a reality that we, the parliamentarians, are in receipt of the highest sums delivered to taxpayers. We, being in the threshold that we are in, receive 10 times the pay of child-care workers. I hear a lot of debate about child-care workers—the need to establish their value, the need to put them in a position commensurate with their responsibilities. However, I have yet to see any effort to rectify their situation. What I do know is that, ultimately, as a result of this budget bill being passed, if it is not amended by the two houses, I and every other member and senator will receive more than 10 times the amount received by all child-care workers in this country. That is not just grossly unfair; it is obscene. I do not think it is really argued away by putting up the mantra defence of the politics of envy.

There is another point that is important to note, and it was made clear by the shadow minister for industry and workplace relations. It was interesting and it was very demonstrable that the government intervened in the Australian Industrial Relations Commission national wage case and argued in a supplementary submission that the measly $6 per week tax cut being received by workers should be taken into account in the decision to reduce the minimum wage for about 1.5 million workers. It was interesting to see the Commonwealth authorise the department to intervene to say, ‘Those people who receive the least’—less than one-tenth of what parliamentarians receive—‘should also take a hit when the Industrial Relations Commission hands down its last decision on the minimum wage.’ But it was not the case for the Remuneration Tribunal. We did not see a similar situation where the government intervened in
the Remuneration Tribunal decision-making process and said, ‘Hang on here, the politicians are about to get an increase of some amount and therefore maybe they should get some reduction in the $65.’

It seems to me that that example—where it is fine for high-income earners to be in receipt of large tax cuts and, in some cases, wage increases but it is not okay for low- and middle-income earners, for hardworking Australians who are below $60,000 or thereabouts—is extraordinary. That is why Labor members get up and say it time and time again, and that is why wherever I go, when asked why we have held our position and why we are advancing the view that there should be amendments to the tax arrangements, we have a very valid argument to put forward to all people, whether they are in receipt of $60 or $6. I am quite comfortable talking to people on $100,000 saying, ‘Look, maybe you should only be getting a tax cut of $45 so the millions that are getting $6 can get $12 and so that people who are finding it tough, the people who are having difficulty paying their rent and the people having difficulty paying for their fees at university have the capacity to live a decent life.’ I am happy to argue that anywhere, whether or not it is agreed.

I also concur with the comments of the member for Melbourne Ports on child care. Clearly, this government has been mean and tricky with the child-care announcements and indeed the way in which people may be affected by the changes to social security. What the government has mooted is that there will be many child-care places available for single parents to put their kids in and, as a result, they should understand that there will not necessarily be the same welfare moneys afforded to them. Clearly, there is an interesting difference in the time line for these things. The changes to welfare—call it assistance or call it whatever you like but I mean the money that is provided to people in need—will take effect next year. But the bulk of the after school hours child-care places will not take effect until 2008. That is a mean and tricky provision of the budget. It was not boasted by the Treasurer on budget night and it was not spruiked by the Treasurer, any other minister or indeed the Prime Minister. But clearly it is a mean and tricky thing, saying ‘You’ll be in a position to take up work because your child or children will be able to be taken care of,’ but the places are not there. Indeed, there are no places provided for long day care—and that is the area where we have a real shortage. So I think there are a number of areas where the government really has not been truthful with the Australian people in explaining the budget. Indeed, the more we can explain that to the community the better.

I think this has been lost a bit because of the debate over tax, but I think the way in which the so-called Welfare to Work policy has been announced is atrocious. The government says it wants to attend to finding job opportunities for people with disabilities. On the face of it, that is a perfectly reasonable proposition. Indeed, it is good public policy to enable people with disabilities of whatever sort to have the capacity to be gainfully employed—for all sorts of reasons, but let us start with their own integrity, their own self-esteem, their own values, their sense of self-worth in society and those things that would instil in an individual their worth as a community member. Let us also say that, for economic purposes, it is very good for community members to be able to be productive in order to produce a greater sized cake, metaphorically, and for people to be able to share in that cake. There are good reasons for governments to argue that we should be trying to provide opportunities. But this is the problem. There are not sufficient resources put aside to create any new work. There has been no evi-
idence put forward by the government to explain where these jobs will come from. In my elec-
torate—and I am sure it is the same for many other members—I have thousands of people
who are currently on a disability pension and who are frightened to death that they are going
to be forced into an income bracket and forced onto the dole because, notwithstanding the
good intentions inside the headlines of the government policy, there are no jobs for them to go
to. I think that is the concern many people share.

We have a situation where the government says welfare to work, but clearly it is welfare to
welfare—welfare to a lower level of welfare. Indeed, it is a welfare process which will be
more prescriptive and place more pressure upon them. I could actually accept that this would
be good policy if there had been any effort put in by government to ensure that there was a
greater capacity for people with disabilities currently on the disability pension to find work in
their area. But I do not think there has been a great deal of effort in that regard.

I think that, once the community hears more of it, they will start realising how nasty and
pernicious this government can be in relation to the most vulnerable in our society. You do not
see too many government members, publicly or otherwise, explaining how fair that policy is.
I have not heard one government member boast about the way in which they are going to
handle the policy affecting people on disability pensions. Why? Because they are embar-
rassed. They are ashamed of it. Once you get past the headline of welfare to work, most
members know, government members included, that this is not a policy that is going to afford
people with disabilities any decent opportunity. I hope I am wrong, but I think that in the
main, in relation to this area, I am not.

The one thing that we can glean from the budget is the way in which the government will
look after itself. I am not just talking about the pay increases. On the last occasion I was in
this chamber I went through all the grants that have been provided to lower house members of
parliament. On 1 June, I think it was, I noticed that an extraordinarily large proportion of the
grants that go to sporting and recreational grounds went to the seat of McEwen. I thought:
‘That’s a neighbouring electorate. I will see how many they have.’ So I went through the
budget and found that, of the 27 Commonwealth grants, 15 went to the marginal Liberal elec-
torate of McEwen. That is what I said; that is in the transcript. I am sure many of these grants
are probably reasonable grants. They would be footy associations, sporting clubs and so on,
seeking, probably quite rightly, some support from the Commonwealth. They put in their ap-
plications, and I am sure thousands of other applications—or, certainly, requests of members
of parliament—also went in for help with ovals, sporting facilities and the like. It was amaz-
ing that, as I said then, 15 of the 27 went to one electorate when there are 150 electorates. I
was wrong. So I want to get up today and correct that for the record. It is not 15; it is 16. Six-
teen out of 27 Commonwealth grants went to one electorate. I think that is quite extraordinary.

I thought I would check how my electorate, a neighbouring electorate, went by compari-
son. There is a recent report that identifies how impoverished particular electorates are. It uses
a number of indicators. Unfortunately, I am in an electorate which is in the bottom third. But,
if you look at it in terms of metropolitan electorates, it is probably in the bottom 10 per cent.
In other words, people are doing it pretty tough. How many grants do you think they received,
Mr Deputy Speaker Jenkins? The answer is zero. They received no grants. Of course, McE-
wen, on the other hand, as an outer metropolitan regional area, would not be seen to be im-
poverished. It has some beautiful areas and lovely communities. I was fortunate enough to
represent many of them: the townships of Gisborne, Macedon, Mount Macedon, Woodend, Romsey and Lancefield. They are fantastic areas.

However, the fact is that I could not see any discernible reason why the electorate would receive 16 grants as opposed to zero in my own neighbouring electorate. The only thing I can conclude is that this was not about Commonwealth resources—taxpayers’ money—being provided to these regions for services because they are in greater need than any other area but, I have to say, about looking after the political hide of the Minister for Small Business and Tourism. It is unfortunate that I have to say that, but the only conclusion I can reach is that the member for McEwen has managed to sequester out of the budget more than 60 per cent of the Commonwealth grants in this region. That really sums it up—that the government has no concern for the marginalised. It has a concern for the marginals—I will grant you that—but not for the marginalised. It is about time it started turning its attention to those people in need. It does not matter whether they are people with disabilities—who seem to be being pushed onto the dole with no regard for their future—whether they are single mothers who have to find work before child-care places come on stream or whether they are people who are receiving $6 a week, many of whom are receiving a national wage minimum of $17 for the last time.

This government is interested purely in itself and in its own survival. The ability of the member for McEwen to be given more than 60 per cent is a reflection of this government’s desire to hold on to power at all costs, irrespective of the needs of Melbourne and other areas outside of McEwen. I certainly hope the media pick up on this. I know there have been some reports recently that I am sure will help the media to alert the public about what exactly is happening in relation to the grants. I am sure there is a lot more to come as we look more closely at the budget and the way this arrogant government has decided to spend taxpayers’ money in looking after its own hide without any regard for people in need. This government has no regard for the people it has decided will take a hit as a result of this budget. I feel very happy and very comfortable in attacking this government and in explaining why to the people of Australia. (Time expired)

Debate (on motion by Mrs Gash) adjourned.

Main Committee adjourned at 9.22 pm
Hume Highway
(Question No. 57)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, in writing, on 17 December 2004:

(1) Further to the answer to question No. 328 (Hansard, 21 October 2002, page 8389), how many of the outstanding 106 kilometres of the Hume Highway between Sydney and Albury that were not duplicated at 22 October 2002 remain unduplicated and what are the unduplicated sections.

(2) What is the estimated cost of duplicating each section.

(3) Are there any projects underway or plans for completing the outstanding duplication works over the next five years; if so, what are the projects and when and where will they be undertaken.

(4) How many road accidents and fatalities have occurred on each section of the highway not yet duplicated.

(5) When will the Albury-Wodonga bypass duplication commence, what is the detailed estimated cost of undertaking this project and what is the expected date of completion of the project.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) 106km of the Hume Highway is unduplicated comprising:

<table>
<thead>
<tr>
<th>Location</th>
<th>Distance (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coolac</td>
<td>11.0</td>
</tr>
<tr>
<td>Sheahan Bridge</td>
<td>1.2</td>
</tr>
<tr>
<td>Tarcutta</td>
<td>10.3</td>
</tr>
<tr>
<td>Kyeamba Hill</td>
<td>9.1</td>
</tr>
<tr>
<td>Little Billabong</td>
<td>7.9</td>
</tr>
<tr>
<td>Holbrook</td>
<td>19.0</td>
</tr>
<tr>
<td>Woomargama Gap-Mullengandra</td>
<td>19.0</td>
</tr>
<tr>
<td>Mullengandra-Table Top</td>
<td>21.2</td>
</tr>
<tr>
<td>Billy Hughes Bridge-North Albury</td>
<td>7.6</td>
</tr>
</tbody>
</table>

(2) The most recent preliminary cost estimates provided by the New South Wales Roads and Traffic Authority (RTA) are:

<table>
<thead>
<tr>
<th>Location</th>
<th>Cost (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coolac</td>
<td>$116.5m</td>
</tr>
<tr>
<td>Sheahan Bridge</td>
<td>$43.0m</td>
</tr>
<tr>
<td>Tarcutta</td>
<td>$88.0m</td>
</tr>
<tr>
<td>Kyeamba Hill</td>
<td>$71.0m</td>
</tr>
<tr>
<td>Little Billabong</td>
<td>$63.0m</td>
</tr>
<tr>
<td>Holbrook</td>
<td>$125.0m</td>
</tr>
<tr>
<td>Woomargama Gap-Mullengandra</td>
<td>$110.0m</td>
</tr>
<tr>
<td>Mullengandra-Table Top</td>
<td>$171.5m</td>
</tr>
</tbody>
</table>

The Billy Hughes Bridge to North Albury section will be bypassed by a duplicated road as part of the Albury-Wodonga Hume Highway upgrade project.

(3) Major construction has commenced for the Albury-Wodonga Hume Highway upgrade.

In addition, under the first AusLink five-year plan announced on 7 June 2004, the Australian Government will invest $205m for further duplication of the Hume Highway and for other safety works—including on the F5. Funding has been approved for the Coolac bypass and the contract for
its construction is expected to be let in June. Construction is expected to commence soon after. The
Government has also allocated funding of $43m for the duplication of the Sheahan Bridge at
Gundagai during the period to 2008-09. It will also fund up to $15m for the planning of the future
duplication of the remainder of the single carriageway sections of the southern Hume.

Further funding towards Hume Highway duplication projects will be provided beyond the 2008-09
five-year period. It is the Government’s objective to duplicate the Hume Highway by 2012.

(4) The RTA has advised that the following accidents and fatalities occurred on the unduplicated
sections between 1 July 1998 and 30 June 2003:

<table>
<thead>
<tr>
<th>Section</th>
<th>Accidents</th>
<th>Fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coolac</td>
<td>52</td>
<td>2</td>
</tr>
<tr>
<td>Sheahan Bridge</td>
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<td>0</td>
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<tr>
<td>Tarcutta</td>
<td>47</td>
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</tr>
<tr>
<td>Kyeamba Hill</td>
<td>48</td>
<td>1</td>
</tr>
<tr>
<td>Little Billabong</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>Holbrook</td>
<td>43</td>
<td>1</td>
</tr>
<tr>
<td>Woomargama Gap-Table Top</td>
<td>84</td>
<td>11</td>
</tr>
<tr>
<td>Billy Hughes Bridge-North Albury</td>
<td>77</td>
<td>5</td>
</tr>
</tbody>
</table>

Tenders for the construction of the Victorian section were let on 17 January 2005 and for the NSW
section on 4 February 2005. Major work on the project has recently commenced and work is ex-
pected to be completed in mid-2007. The estimated cost of the upgrade is $524m, of which
$518.2m is expected to be provided by the Australian Government. The RTA and VicRoads have
indicated that the Albury-Wodonga upgrade will be open to traffic in 2007.

Civil Aviation Safety Authority
(Question No. 59)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, in writing,
on 17 November 2004:

(1) Would he provide a description of all the programs administered by the Civil Aviation Safety Au-
thority (CASA) including (a) the number of people directly receiving funds or assistance under the
program, (b) a breakdown on those receiving funds/assistance under the program by electoral divi-
sion, (c) the policy objective of the program, (d) whether the program is ongoing, and (e) the fund-
ing in each financial year of the forward estimates for the program (with a breakdown of adminis-
tered and departmental expenses), including (i) how much funding was allocated for the program,
(ii) how much is committed to the program, (iii) how much is unspent, and (iv) whether an evalua-
tion of the program effectiveness has been conducted; if so, when that evaluation occurred what
were its conclusions.

(2) How many Senior Executive Officers (or equivalent) were employed by CASA in (a) 1996-1997,
(h) 2003-2004.

(3) What was the base and top (including performance pay) salaries of APS 1, 2, 3, 4, 5, 6 (or equiva-
 lent), Executive Level 1 and 2 (or equivalent), and SES Band 1, Band 2 and Band 3 (or equivalent)

(4) What was the average salary of an SES (or equivalent) in CASA in (a) 1996-1997, (b) 1997-1998,


(8) What are the details of all ‘management retreats/training’ conducted by CASA which were attended by employees during (a) 2000-2001, (b) 2001-2002, (c) 2002-2003, and (d) 2003-04 to date, indicating, in respect of those meetings held off CASA premises, (i) where (location and hotel) and when they were held, (ii) how much was spent in total, (iii) how much was spent on accommodation, (iv) how much was spent on food, (v) how much was spent alcohol/drinks, and (vi) how much was spent on transport.


(10) In respect of overseas travel by staff of CASA in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, and (h) 2003-2004 to date, what was the cost (i) in total, (ii) for accommodation, (iii) for meals and incidentals allowances, and (iv) for airfares.

(11) In respect of domestic travel by staff of CASA in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, and (h) 2003-2004 to date, what was the cost (i) in total, (ii) for accommodation, (iii) for meals and incidentals allowances, and (iv) for airfares.


(18) Did CASA conduct any surveys of attitudes towards programs it was responsible for in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, and (h) 2003-2004 to date; if so, (i) on which programs were the surveys conducted, and (ii) what were the findings.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) The Civil Aviation Safety Authority is not responsible for any administered programs.
(2) Figures for the Senior Executive Officers (or equivalent) employed by CASA appear in the table below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Ses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>18</td>
</tr>
<tr>
<td>1997/98</td>
<td>19</td>
</tr>
<tr>
<td>1998/99</td>
<td>22</td>
</tr>
<tr>
<td>1999/00</td>
<td>33*</td>
</tr>
<tr>
<td>2000/01</td>
<td>33</td>
</tr>
<tr>
<td>2001/02</td>
<td>34</td>
</tr>
<tr>
<td>2002/03</td>
<td>38</td>
</tr>
<tr>
<td>2003/04</td>
<td>36</td>
</tr>
</tbody>
</table>

*The increase in SES numbers in 1999/00 was due to the establishment of the CASA area and airline offices. The Area and Airline Manager positions have been included as SES equivalent because of the remuneration.

(3) Figures for the base and top (including performance pay) salaries appear in the table below.

<table>
<thead>
<tr>
<th>CASA CLASSIFICATIONS AND SALARY LEVELS BY FINANCIAL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classification Level</td>
</tr>
<tr>
<td>------------------------------</td>
</tr>
<tr>
<td>Administrative Service Officer Class 1</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Administrative Service Officer Class 2</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Administrative Service Officer Class 3</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Administrative Service Officer Class 4</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Administrative Service Officer Class 3/4 (Airline and Area Offices and Regulatory Services Division)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Administrative Service Officer Class 5</td>
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<tr>
<td>Administrative Service Officer Class 6</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Senior Officer 1 (equiv)</td>
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</table>

**QUESTIONS IN WRITING**
### Casa Classifications and Salary Levels by Financial Year

<table>
<thead>
<tr>
<th>Classification Level</th>
<th>Base &amp; Top Increment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 96/97 FY 97/98 FY 98/99 FY 99/00 FY 00/01 FY 01/02 FY 02/03 FY 03/04</td>
</tr>
<tr>
<td>(equiv)</td>
<td>Top $75,208 $77,464 $79,788 $81,370 $84,421 $86,954 $89,582 $92,269</td>
</tr>
<tr>
<td>Technical Officer Level 1</td>
<td>Top $28,727 $29,888 $31,095 $31,950 $33,148 $34,142 $35,174 $36,230</td>
</tr>
<tr>
<td></td>
<td>Top $30,177 $31,396 $32,644 $35,072 $36,387 $37,479 $38,611 $39,770</td>
</tr>
<tr>
<td>Technical Officer Level 2</td>
<td>Top $28,727 $29,888 $31,095 $31,950 $33,148 $34,142 $35,174 $36,230</td>
</tr>
<tr>
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<td>Top $30,177 $31,396 $32,644 $35,072 $36,387 $37,479 $38,611 $39,770</td>
</tr>
<tr>
<td>Technical Officer Level 3</td>
<td>Top $31,199 $32,459 $33,771 $34,700 $36,001 $37,081 $38,202 $39,348</td>
</tr>
<tr>
<td></td>
<td>Top $35,909 $37,360 $38,869 $41,173 $43,300 $44,599 $45,947 $47,325</td>
</tr>
<tr>
<td>Technical Officer Grade C (equiv)</td>
<td>Top $36,629 $38,109 $39,649 $40,739 $42,267 $43,535 $44,851 $46,196</td>
</tr>
<tr>
<td></td>
<td>Top $41,561 $43,240 $44,987 $48,304 $50,115 $51,618 $53,179 $54,774</td>
</tr>
<tr>
<td>Senior Technical Officer Grade B (equiv)</td>
<td>Top $55,836 $57,511 $59,236 $60,868 $63,151 $65,046 $67,012 $69,022</td>
</tr>
<tr>
<td></td>
<td>Top $69,510 $71,593 $73,744 $67,428 $69,957 $72,056 $74,234 $76,461</td>
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<tr>
<td>Public Affairs Officer Grade 1</td>
<td>Top $61,534 $63,360 $65,281 $67,079 $69,594 $71,682 $73,848 $76,064</td>
</tr>
<tr>
<td></td>
<td>Top $75,208 $77,464 $79,788 $78,475 $81,418 $83,861 $86,395 $88,987</td>
</tr>
<tr>
<td>Public Affairs Officer Grade 2</td>
<td>Top $36,385 $37,855 $39,385 $40,468 $41,986 $43,246 $44,553 $45,889</td>
</tr>
<tr>
<td></td>
<td>Top $41,707 $43,392 $45,145 $46,386 $50,291 $51,800 $53,365 $54,966</td>
</tr>
<tr>
<td>Public Affairs Officer Grade 3</td>
<td>Top $45,252 $46,039 $47,899 $49,216 $51,062 $52,594 $54,184 $55,809</td>
</tr>
<tr>
<td></td>
<td>Top $50,284 $52,315 $54,429 $55,926 $60,635 $62,454 $64,342 $66,272</td>
</tr>
<tr>
<td>Public Affairs Officer Grade 4</td>
<td>Top $55,836 $57,511 $59,236 $60,865 $65,176 $67,131 $69,160 $71,235</td>
</tr>
<tr>
<td></td>
<td>Top $69,510 $71,593 $73,744 $75,772 $75,521 $77,787 $80,138 $82,542</td>
</tr>
<tr>
<td>Senior Public Affairs Officer Grade 1 (equiv)</td>
<td>Top $61,534 $63,360 $65,281 $67,076 $77,912 $80,249 $82,675 $85,155</td>
</tr>
<tr>
<td></td>
<td>Top $75,208 $77,464 $79,788 $81,982 $81,418 $83,861 $86,395 $88,987</td>
</tr>
<tr>
<td>Senior Public Affairs Officer Grade 2 (equiv)</td>
<td>Top $66,092 $68,075 $70,177 $72,045 $82,234 $84,701 $87,261 $89,879</td>
</tr>
<tr>
<td></td>
<td>Top $83,184 $85,860 $88,250 $82,829 $85,935 $88,513 $91,188 $93,924</td>
</tr>
<tr>
<td>Information Technology Officer Grade 1 (equiv)</td>
<td>Top $34,149 $35,528 $36,964 $37,891 $39,405 $40,587 $41,814 $43,068</td>
</tr>
<tr>
<td></td>
<td>Top $38,290 $39,837 $41,446 $42,586 $46,171 $47,556 $48,994 $50,463</td>
</tr>
<tr>
<td>Technology Officer Grade 2 (equiv)</td>
<td>Top $42,483 $44,199 $45,985 $47,250 $49,022 $50,493 $52,019 $53,579</td>
</tr>
<tr>
<td></td>
<td>Top $48,801 $50,772 $52,824 $54,277 $58,846 $60,611 $62,443 $64,317</td>
</tr>
<tr>
<td>Legal Officer Class 1</td>
<td>Top $29,697 $30,897 $30,897 $32,143 $34,268 $35,296 $36,363 $37,454</td>
</tr>
<tr>
<td></td>
<td>Top $45,608 $46,520 $47,451 $49,368 $54,997 $56,647 $58,359 $60,110</td>
</tr>
<tr>
<td>Legal Officer Class 2</td>
<td>Top $55,836 $57,511 $59,236 $60,865 $63,151 $65,046 $67,012 $69,022</td>
</tr>
<tr>
<td></td>
<td>Top $69,510 $71,593 $73,744 $75,772 $75,521 $77,787 $80,138 $82,542</td>
</tr>
<tr>
<td>Legal Officer Class 3</td>
<td>Top $55,836 $57,511 $59,236 $60,865 $63,151 $65,046 $67,012 $69,022</td>
</tr>
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### Questions in Writing
<table>
<thead>
<tr>
<th>Classification Level</th>
<th>Classification</th>
<th>Base &amp; Top Increment</th>
<th>FY 96/97</th>
<th>FY 97/98</th>
<th>FY 98/99</th>
<th>FY 99/00</th>
<th>FY 00/01</th>
<th>FY 01/02</th>
<th>FY 02/03</th>
<th>FY 03/04</th>
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<tbody>
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<td>Class 2</td>
<td>Legal Officer</td>
<td>Top Increment</td>
<td>$69,510</td>
<td>$71,593</td>
<td>$73,744</td>
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<td>$80,138</td>
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<td>Class 2</td>
<td>Top Increment</td>
<td>$83,184</td>
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<td>$80,138</td>
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<td>$70,177</td>
<td>$72,045</td>
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<td>$108,266</td>
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<td>Class 1</td>
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<td>$57,513</td>
<td>$59,236</td>
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<td>$64,952</td>
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<td>$72,045</td>
<td>$74,086</td>
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<td>$90,677</td>
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<td>$64,952</td>
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<td>$69,022</td>
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<td>$71,593</td>
<td>$73,744</td>
<td>$75,772</td>
<td>$77,787</td>
<td>$80,138</td>
<td>$82,542</td>
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<td>Classification</td>
<td>Level</td>
<td>Base &amp; Top Increment</td>
<td>FY 96/97</td>
<td>FY 97/98</td>
<td>FY 98/99</td>
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</tr>
<tr>
<td>Airworthiness</td>
<td>Officer</td>
<td>Top</td>
<td>$61,534</td>
<td>$63,380</td>
<td>$65,281</td>
<td>$72,045</td>
<td>$86,881</td>
<td>$89,487</td>
<td>$92,192</td>
<td>$94,958</td>
</tr>
<tr>
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<td>Inspector /Engineer 2</td>
<td>Top</td>
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<td>$91,145</td>
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<td>Inspector 1</td>
<td>Top</td>
<td>$79,631</td>
<td>$82,617</td>
<td>$85,096</td>
<td>$87,668</td>
<td>$90,298</td>
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<td></td>
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<tr>
<td>Aerodrome</td>
<td>Inspector 2</td>
<td>Top</td>
<td>$61,650</td>
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<td>$65,881</td>
<td>$67,872</td>
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<tr>
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<td>Top</td>
<td>$74,494</td>
<td>$77,288</td>
<td>$79,607</td>
<td>$82,013</td>
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<tr>
<td>Investigator 2</td>
<td>Top</td>
<td>$66,788</td>
<td>$69,293</td>
<td>$71,372</td>
<td>$73,529</td>
<td>$75,735</td>
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<tr>
<td>Airways and Aerodrome</td>
<td>Engineer 1</td>
<td>Top</td>
<td>$66,788</td>
<td>$69,293</td>
<td>$71,372</td>
<td>$73,529</td>
<td>$75,735</td>
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<tr>
<td>Airways and Aerodrome</td>
<td>Engineer 1</td>
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<td>$79,631</td>
<td>$82,617</td>
<td>$85,096</td>
<td>$87,668</td>
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<tr>
<td>Airways and Aerodrome</td>
<td>Engineer 2</td>
<td>Top</td>
<td>$61,650</td>
<td>$63,962</td>
<td>$65,881</td>
<td>$67,872</td>
<td>$69,908</td>
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<tr>
<td>Airways and Aerodrome</td>
<td>Engineer 1</td>
<td>Top</td>
<td>$74,494</td>
<td>$77,288</td>
<td>$79,607</td>
<td>$82,013</td>
<td>$84,473</td>
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<tr>
<td>Airways and Aerodrome</td>
<td>Engineer 2</td>
<td>Top</td>
<td>$66,788</td>
<td>$69,293</td>
<td>$71,372</td>
<td>$73,529</td>
<td>$75,735</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airways and Aerodrome</td>
<td>Engineer 2</td>
<td>Top</td>
<td>$83,741</td>
<td>$86,881</td>
<td>$89,487</td>
<td>$92,192</td>
<td>$94,958</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flying Operations</td>
<td>Inspector (GA)</td>
<td>Top</td>
<td>$66,092</td>
<td>$68,075</td>
<td>$70,177</td>
<td>$72,045</td>
<td>$79,305</td>
<td>$81,684</td>
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<td>$86,678</td>
</tr>
<tr>
<td>Flying Operations</td>
<td>Inspector (Airlines)</td>
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<td>$94,971</td>
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<td>Manager Flying Operations</td>
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<td>$102,117</td>
<td>$105,174</td>
<td>$108,066</td>
<td>$115,854</td>
<td>$115,854</td>
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</table>

**QUESTIONS IN WRITING**
### CASA Classifications and Salary Levels By Financial Year

<table>
<thead>
<tr>
<th>Classification Level</th>
<th>FY 96/97</th>
<th>FY 97/98</th>
<th>FY 98/99</th>
<th>FY 99/00</th>
<th>FY 00/01</th>
<th>FY 01/02</th>
<th>FY 02/03</th>
<th>FY 03/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flying Operations</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Inspector (Team Leader GA)</td>
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<td>$92,642</td>
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<tr>
<td>Flying Operations</td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Base</td>
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<td>$82,159</td>
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<td>$91,756</td>
<td>$95,000</td>
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<td>$101,000</td>
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<tr>
<td>Bottom of Range</td>
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<td>$78,562</td>
<td>$82,167</td>
<td>$85,767</td>
<td>$89,367</td>
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<td>$117,03</td>
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<td>$124,63</td>
<td>$128,43</td>
<td>$132,23</td>
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<tr>
<td>Bottom of Range</td>
<td>$92,941</td>
<td>$98,445</td>
<td>$104,246</td>
<td>$110,046</td>
<td>$115,846</td>
<td>$121,646</td>
<td>$127,446</td>
<td>$133,246</td>
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<td>$121,528</td>
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<td>$134,328</td>
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<tr>
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</tbody>
</table>

### Notes

1. Performance pay/bonuses were discontinued in CASA in 1996.
2. All data only includes the salary component of Total Gross Remuneration.
3. SES Band 3 equivalent is one position only and therefore individual amounts have not been reported.
4. Figures for the average salary on an SES (or equivalent) in CASA appear in the table below.

### CASA Average Salaries for SES Equivalent Staff By Financial Year

<table>
<thead>
<tr>
<th>Classification Level</th>
<th>FY 96/97</th>
<th>FY 97/98</th>
<th>FY 98/99</th>
<th>FY 99/00</th>
<th>FY 00/01</th>
<th>FY 01/02</th>
<th>FY 02/03</th>
<th>FY 03/04</th>
</tr>
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<tbody>
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<td>SES Band 1 (equiv)</td>
<td>$87,546</td>
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<td>$94,529</td>
<td>$89,920</td>
<td>$96,295</td>
<td>$104,247</td>
<td>$105,901</td>
<td>$104,447</td>
</tr>
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<td>$122,246</td>
<td>$117,963</td>
<td>$127,888</td>
<td>$132,962</td>
<td>$137,504</td>
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<td>-</td>
<td>-</td>
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<td>1</td>
<td>1</td>
<td>1</td>
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### Notes

1. SES Band 3 equivalent is one position only and therefore individual amounts have not been reported.
2. All data only includes the salary component of Total Gross Remuneration.

### Financial Year Active Mobile Phone Accounts

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Active Mobile Phone Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>294</td>
</tr>
<tr>
<td>2001/02</td>
<td>295</td>
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<tr>
<td>2002/03</td>
<td>302</td>
</tr>
<tr>
<td>2003/04</td>
<td>296</td>
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</table>

(6) Figures on the total mobile phone bill appear in the table below. Figures prior to this are not available as mobile phone charges were previously included in CASA's total phone usage.

### Questions in Writing
Financial Year  |  Total Bill (including call costs and hardware)
--- | ---
2001/02  |  $153,557.00
2002/03  |  $129,451.49
2003/04  |  $104,174.63

(7) The total number of SES (or equivalent) staff that were issued with cars by CASA appear in the table below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Cars Issued</th>
</tr>
</thead>
</table>
| 1996/97  | 13
| 1997/98  | 13
| 1998/99  | 19
| 1999/00  | 17
| 2000/01  | 30
| 2001/02  | 34
| 2002/03  | 35
| 2003/04  | 28
(8) To extract a complete list broken down as requested would require significant resources. However, the figures for management retreats/training attended by Senior Managers appears in the following table.

### RETREATS

<table>
<thead>
<tr>
<th>Date</th>
<th>Attendance</th>
<th>Description</th>
<th>Venue</th>
<th>Total Cost</th>
<th>Course Costs</th>
<th>Accom</th>
<th>Food</th>
<th>Alcohol/Drinks</th>
<th>Transport</th>
<th>Misc</th>
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</thead>
<tbody>
<tr>
<td>4-6/3/01</td>
<td>11</td>
<td>Executive Retreat</td>
<td>Milton Park Country Houses, Bowral NSW</td>
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<td>$6089.65</td>
<td>$2981</td>
<td>$1498.10</td>
<td>$779</td>
<td>$4191.26</td>
<td>Includes cancellation fee, room hire, phone calls</td>
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<tr>
<td>29/9-1/10/02</td>
<td>10</td>
<td>Executive Development Conference</td>
<td>Mercure, Bowral NSW</td>
<td>$9272.40</td>
<td>$6925</td>
<td></td>
<td></td>
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<td>$600</td>
<td>For additional room hire</td>
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</table>

### TRAINING

<table>
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<tr>
<th>Date</th>
<th>Attendance</th>
<th>Description</th>
<th>Venue</th>
<th>Total Cost</th>
<th>Course Costs</th>
<th>Accom</th>
<th>Food</th>
<th>Alcohol/Drinks</th>
<th>Transport</th>
<th>Misc</th>
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</thead>
<tbody>
<tr>
<td>7/01</td>
<td>9</td>
<td>Equity and Diversity Training</td>
<td>Canberra</td>
<td>$3232</td>
<td>$2418</td>
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<td>1</td>
<td>Safety Oversight Managers Course</td>
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<td>$3696</td>
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<td>8-13/5/01</td>
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<td>Canberra</td>
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QUESTIONS IN WRITING
<table>
<thead>
<tr>
<th>Date</th>
<th>Attendance</th>
<th>Description</th>
<th>Venue</th>
<th>Total Cost</th>
<th>Course Costs</th>
<th>Accom</th>
<th>Food</th>
<th>Alcohol/Drinks</th>
<th>Transport</th>
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<td>Jun-Aug 03</td>
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<td>Executive Coaching</td>
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<td>One-On-One Coaching</td>
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<td>18/9/02</td>
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<td>Ultimate Intelligence Seminar</td>
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<td>6/2/03</td>
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<td>John Kotter Seminar</td>
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<td></td>
<td></td>
<td>$854</td>
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<td>2001 &amp; 2003</td>
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<td>Graduate Certificate in Change Management</td>
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<tr>
<td>20-26/8/03</td>
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<td>Company Director Training</td>
<td>Canberra</td>
<td>$5192</td>
<td>$5192</td>
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<tr>
<td>3/9/03</td>
<td>1</td>
<td>The New Director of Company Boards</td>
<td>Canberra</td>
<td>$352</td>
<td>$352</td>
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<td>15-21/10/03</td>
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<tr>
<td>12/11/03</td>
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<td>The New Director of Company Boards</td>
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<tr>
<td>11/5/04</td>
<td>2</td>
<td>Gary Hamel Seminar</td>
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</tbody>
</table>
(9) To extract a complete list of how many overseas trips taken by CASA employees prior to 2002-03 would require significant resources. However, the total figures for 2002-03 and 2003-04 appear in the table below.

Please note that the figures provided below relate to discretionary travel only (i.e. ICAO related travel, conferences, meetings and international liaison) and does not include training related travel; surveillance travel or travel related to regulatory services.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Trips</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/03</td>
<td>67</td>
<td>United States of America, Hong Kong, Singapore, Canada, United Kingdom, France, Tonga, Switzerland, Thailand, Vanuatu, Sweden, Finland, Germany, China, Philippines, United Arab Emirates, Iceland, New Zealand, Malaysia, Fiji, Netherlands, Brazil, Papua New Guinea.</td>
</tr>
<tr>
<td>2003/04</td>
<td>86</td>
<td>Spain, India, France, Canada, United States of America, United Kingdom, Fiji, Hawaii, United Arab Emirates, Hong Kong, Alaska, France, Vanuatu, Mongolia, Thailand, New Zealand, Brazil, Germany, Egypt, Ireland, Singapore, China.</td>
</tr>
</tbody>
</table>

(10) To extract a complete list of costs of overseas trips taken by CASA employees prior to 2002-03 would require significant resources. However, the total travel figure for 2002-03 and travel figures for 2003-04 appear in the table below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Travel Cost</th>
<th>Accommodation</th>
<th>Meals/Incidentals</th>
<th>Airfares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/03</td>
<td>$966,327</td>
<td>Not Available</td>
<td>Not Available</td>
<td>Not Available</td>
</tr>
<tr>
<td>2003/04</td>
<td>$954,735</td>
<td>$129,617</td>
<td>$179,245</td>
<td>$646,323</td>
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</table>

(11) To extract a complete breakdown of costs of domestic travel taken by CASA employees would require significant resources. However, the total costs for domestic travel appear in the table below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>$4,876,604</td>
</tr>
<tr>
<td>1997/98</td>
<td>$4,421,425</td>
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<tr>
<td>1998/99</td>
<td>$4,078,849</td>
</tr>
<tr>
<td>1999/00</td>
<td>$4,132,669</td>
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<tr>
<td>2000/01</td>
<td>$6,419,976</td>
</tr>
<tr>
<td>2001/02</td>
<td>$6,388,001</td>
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<tr>
<td>2002/03</td>
<td>$4,487,007</td>
</tr>
<tr>
<td>2003/04</td>
<td>$4,036,637</td>
</tr>
</tbody>
</table>

(12) Nil.

(13) Nil.

(14) To extract a complete breakdown of costs of advertising spent by CASA would require significant resources.

(15) No. See question 1.

(16) Nil. See question 1.

(17) Total spending on service contractors and consultancies, as detailed in the published annual reports are:

QUESTIONS IN WRITING
### Financial Total

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>$1,737,000</td>
</tr>
<tr>
<td>1997/98</td>
<td>$281,534</td>
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<tr>
<td>1998/99</td>
<td>Not Available*</td>
</tr>
<tr>
<td>1999/00</td>
<td>$1,587,050</td>
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<tr>
<td>2000/01</td>
<td>$2,742,741</td>
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<tr>
<td>2001/02</td>
<td>$11,513,786</td>
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<tr>
<td>2002/03</td>
<td>$14,725,000</td>
</tr>
<tr>
<td>2003/04</td>
<td>$12,552,854</td>
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</tbody>
</table>

*For the financial year 1998/99, CASA did not report on the total figure paid for service contractors and consultancies.

(18) No.

### Regional Partnerships

(Question No. 308)

Mr Andren asked the Minister for Transport and Regional Services, in writing, on 6 December 2004:

1. In respect of the Regional Partnership grant for (a) Blayney Sea Link, and (b) MacSmith Milling Manildra in the electoral division of Calare announced during the 2004 election campaign, (i) what date was the project approved, (ii) what date did the Area Consultative Committee recommend funding the project, (iii) which Regional Partnerships eligibility criteria did the project satisfy, (iv) what are the expected employment outcomes for the project, (v) what sum was contributed to the project by the applicant, (vi) when did the project satisfy due diligence requirements, and (vii) what supporting documentation was supplied with the application.

2. Is he aware that his Parliamentary Secretary told ABC Radio in Orange on 26 November 2004 that the due diligence investigation of the two projects was yet to be completed.

3. Is he (a) aware that the recipient of the Manildra grant told the same ABC program that an offer “was on the table”; and (b) satisfied this comment indicated the project had been satisfactorily approved.

4. Can he confirm that the statement in the Western Advocate on 29 November 2004 quoting his spokesman as saying “funding is yet to be approved for the Blayney Sea-Link service” was correct at the time.

5. Is he aware that the then Parliamentary Secretary informed me on 28 and 29 September 2004 in separate letters that the projects had been approved.

6. Can he explain the contradiction between the two announcements.

7. Has each project received its funding; if so, when did this occur.

Mr Anderson—The answer to the honourable member’s question is as follows:

1. (i) (a) Blayney Sea Link, 31 August 2004
   
   (b) MacSmith Milling Manildra, 31 August 2004

   (ii) (a) Blayney Sea Link – Central West ACC – reviewed at 30 March 2004 meeting.

   (b) MacSmith Milling Manildra – Central West ACC – reviewed at 5 August 2004 meeting.

   (iii) (a) Blayney Sea Link – was assessed as meeting the outcomes, partnership and support, applicant viability and project viability criteria.

   (b) MacSmith Milling Manildra – was assessed as meeting the outcomes, partnership and support, applicant viability and project viability criteria.
(iv) (a) Blayney Sea Link employment intended outcomes – 40 new jobs within 12 months
(b) MacSmith Milling Manildra intended employment outcomes – 7 new fulltime (FTE) positions with further additional 4 FTE by year 3 of mill operation.

(v) (a) (b) I am not willing to divulge this potentially sensitive information without the approval of those partners. Funding inputs provided by project partners are not outcomes of the Minister’s or Parliamentary Secretary’s decision-making processes and do not represent funding which will be received from the Government.
Regional Partnerships funding represented 48.08 per cent of the Blayney Sea Link project and 5.49 per cent of the MacSmith Milling Manildra project.

(vi) (a) Blayney Sea Link:
This project is part of a multi stage development on which a full scoping and business plan was completed by Deloitte Touch Tohmatsu in 2002. The Department was satisfied the Commonwealth’s investment represented a low risk. The funding was for a component of one stage of the project (this being the service connection); there was significant financial investment from the applicant; and there were plans for future investment from the applicant. The Department considered undertaking an external viability to be unnecessary in these circumstances.
(b) MacSmith Milling Manildra:
Verbal independent advice was received from Westpac regarding the strength of the business case and Westpac advised that it would conduct its own due diligence checks but did not anticipate any problems. Considering this the Department felt it would be unnecessary duplication to undertake a further review, however, a condition of the funding contract was that written confirmation of applicant and partner funding from the managing financial institution (Westpac) was received before the first payment will be made.

(vii) (a) Blayney Sea Link – documents supplied:
Business Plan
Consolidated Profit and Loss for year end 30 June 2003
Consolidated Trading Account for year end 30 June 2003
Consolidated Balance Sheet as at 30 June 2003
Budget Report for 2003 through to 2007
Letters of support from Bartter Enterprises, Simplot Australia, Central Tablelands Water and Blayney Shire Council.
(b) MacSmith Milling Manildra – documents supplied:
Copy of Development Approval
Business Plan
Statement of Financial Performance for 3 years (2001 – 2003) and year to date 2004
Quotes from Equipment Suppliers
Copy of Certificate of Company registration
Profit and Loss Statements 2003-04
Financial report as at 30 June 2003
Business Tax Returns (2002-03, 2001-02 and 2000-01)
Land site drawing and plans

(2) Yes
Tuesday, 14 June 2005  HOUSE OF REPRESENTATIVES  189

(3) Yes
(4) Refer to the answer to part (1)(a)(i).
(5) Yes
(6) The information quoted by my Parliamentary Secretary on the 25 November 2004 and my spokes-
man in the Western Advocate on 29 November 2004 was not correct.
(7) (a) Blayney Sea Link – first payment of $57,255 (GST inc) was made on 12 October 2004 – sec-
ond payment of $144,474 (GST inc) was made on the 7 December 2004.
   (b) MacSmith Milling Manildra – first payment of $303,787 (GST inc) is due to be paid on 30
April 2005.

Domestic and Overseas Air Travel
(Question No. 327)

Mr Quick asked the Minister for Transport and Regional Services, in writing, on 6 De-
(1) For the year 2003-2004, what sum was spent by the Minister’s department on (a) domestic, and (b) overseas air travel.
(2) For the year 2003-2004, what proportion of domestic air travel by employees of the Minister’s department was provided by (a) Qantas, (b) Regional Express, and (c) Virgin Blue.
(3) For the year 2003-2004, what was the actual expenditure by the Minister’s department on domestic air travel provided by (a) Qantas, (b) Regional Express, and (c) Virgin Blue.
(4) For the year 2003-2004, what sum was spent by the Minister’s department on business class travel on (a) domestic routes, and (b) overseas routes.
(5) For the year 2003-2004, what sum was spent by the Minister’s department on economy class travel on (a) domestic routes, and (b) overseas routes.
(6) For the year 2003-2004, what proportion of the expenditure on air travel by the Minister’s department was on the domestic routes (a) Sydney to Canberra, (b) Melbourne to Canberra, (c) Sydney to Melbourne, (d) Sydney to Brisbane, (e) Melbourne to Hobart or Launceston, and (f) Sydney to Perth.
(7) For the year 2003-2004, how many employees of the Minister’s department had membership of the (a) Qantas Chairman’s Lounge, (b) Qantas Club, (c) Regional Express Membership Lounge, and (e) Virgin Blue’s Blue Room paid for by the department.

Mr Anderson—The answer to the honourable member’s question is as follows:
(1) (a) Domestic - $1,682,156. (b) International - $891,438
(2) (a) Qantas – 84.48% (b) Regional Express – 6.35% (c) Virgin Blue – 6.51%. (d) Other – 2.66%
(3) (a) Qantas - $1,421,085.38 (b) Regional Express - $106,816.90. (c) Virgin Blue - $109,508.35. The balance is on other airlines - $44,745.37
(4) (a) Domestic Business - $388,812. (b) Overseas Business Routes - $705,405
(5) (a) Domestic Economy - $1,293,344. (b) Overseas Routes Economy - $186,033
(6) (a) Sydney to Canberra – 21.75%. (b) Melbourne to Canberra – 21.16%. (c) Sydney to Melbourne – 0.92% . (d) Sydney to Brisbane – 0.78%. (e) Melbourne - Hobart or Launceston – 0.10%. (f) Sydney to Perth - 0.30%
(7) (a) Chairman’s Lounge - No memberships paid for by the Department. (b) Qantas Club - 218. This figure includes a number of memberships paid for by staff themselves. (c) Regional Express - Nil.
All DOTARS staff are entitled to Regional Express Lounges if they show their boarding pass. No cost. (d) Virgin Blue - Nil.

**Airport Security**
*(Question No. 413)*

Mr McMullan asked the Minister for Transport and Regional Services, in writing, on 8 February 2005:

(1) In which Australian airports is it possible to buy potentially dangerous items (eg nail clippers, children’s craft sets with utility knives included and sharp pieces of jewellery) after coming through the airport security screening area and before boarding a plane.

(2) Are there any regulations controlling what can be sold in these areas; if so, (a) which authority has made them, and (b) how are they enforced; if there are no regulations or restrictions regarding what can be sold in these areas, can he explain why.

(3) Why is it possible for items which are liable for confiscation to be purchased on the air travel side.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) and (3) It is inconsistent with current legislation, which came into effect on 10 March 2005, for several of the items mentioned to be available for purchase within the sterile area of security controlled airports in Australia. Sterile areas are established under the Aviation Transport Security Act 2004. They are located at all airports where passengers boarding aircraft are required by law to be screened. The range of Prohibited Items and Weapons which are not allowed into the sterile area of an airport or on-board an aircraft are set out in Regulation 1.07 and 1.09 of the Aviation Transport Security Regulations 2005.

(2) (a) The control of Prohibited Items and Weapons at airports and on aircraft is regulated under the Aviation Transport Security Act 2004 and the Aviation Transport Security Regulations 2005. The Department of Transport and Regional Services (DOTARS) is responsible for the administration of the legislation. (b) The provisions of the legislation are enforced by officers who are given specific powers under the Act, including Aviation Security Inspectors (who are employees of DOTARS), airport security guards, and law enforcement officers who comprise State, Territory and employees of the Federal police.

**Program Funding**
*(Question No. 553)*

Ms King asked the Minister for Transport and Regional Services, in writing, on 10 February 2005:

(1) Does the Minister’s department administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Ballarat can apply for funding; if so, what are the programs.

(2) Does the Minister’s department advertise these funding opportunities; if so, (a) what print or other media outlets have been used for the advertising of each of these programs and (b) were these paid advertisements.

(3) With respect to each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.

(4) With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses or (c) individuals in the electoral division of Ballarat received funding in 2001 and 2002.

(6) What is the name and address of each recipient?

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Yes. Regional Partnerships.

(2) The Area Consultative Committees (ACCs) are responsible for promotion of the Regional Partnerships and are allocated operational funding to fulfill this responsibility. The Central Highlands ACC markets Regional Partnerships in that region through the following activities:
- A monthly article “CHACC Who” in the local press ‘Courier’.
- A quarterly 4 page self published newsletter, which is distributed via database throughout the region including local government and resource centres.
- Face-to-face marketing via presentations to business and community groups.

(3) (a) Regional Partnerships’ purpose is outlined in the Regional Partnerships guidelines:

The Australian Government’s approach to regional development is to work in partnership with communities, government and the private sector to foster the development of self-reliant communities and regions. This approach is consistent with the Commonwealth’s framework for developing Australia’s regions: Stronger Regions, A Stronger Australia. Regional Partnerships is a programme that delivers on the Australian Government’s approach to regional development.

(b) In accordance with the Regional Partnerships’ guidelines, the Department of Transport and Regional Services assesses applications and makes recommendations to the Minister or the Parliamentary Secretary. Based on this advice and the recommendations made by ACCs, the Minister or Parliamentary Secretary decides whether to fund or not fund the project; the level of funding to be provided; and whether any conditions should be applied to the funding.

(4) to (6) Funding under Regional Partnerships was not available in 2001-2002.

Centrelink

(Question No. 626)

Mr Albanese asked the Minister for Human Services, in writing, on 17 February 2005:

(1) In respect of the imminent closure of the Ashfield and Strathfield Centrelink Offices in Sydney which are to be amalgamated into one office at Burwood, what community consultation took place before the decision to close the offices was made?

(2) What client consultation took place before the decision to close the offices was made?

(3) Is the Minister aware that the Ashfield Centrelink office specifically catered for elderly and immobile clients who will now have to travel a further 4 kilometres to attend the Burwood Centrelink office and what measures will be put in place to assist these people?

(4) What are the access arrangements at Burwood (i.e lifts, ramps, stairs etc.)?

(5) What is the range of services available at Burwood?

(6) Are there specialised services for the elderly at Burwood?

Mr Hockey—The answer to the honourable member’s question is as follows:

(1) Efforts to reconsolidate the office at Burwood have been pursued for the last five years. Informal consultations occurred with individuals from service organisations and through meetings of local Migrant Advisory Committees. Social workers also discussed the issue with a number of local community organisations.
Due to concerns about parking and poor access to the office raised by Ashfield customers, staff have for some time been advising customers that plans were underway to find more suitable accommodation and customer feedback has been very positive. Staff have also been advising customers who visit the office for regular appointments about the planned move. The response has been favourable and no concerns have been raised by customers.

For the majority of customers, the new location at Burwood will be more convenient and will have better transport options than those currently operating at Ashfield. The new office at Burwood is closer to the local railway station than the Ashfield Office and has more direct bus services than Ashfield. As is the case now, elderly and immobile customers are able to request a home visit if they are unable to get to the Burwood office.

It is planned to have Family Assistance and Retirement Services on the ground floor. There is ramp access to the main entrance. Ramp access and stairs are available to Level One, which will provide Employment, Youth and Disability Services. In addition there are three lifts in the main building foyer, which also has ramp access.

The full range of Customer Service Centre services will be available at Burwood. These include Employment, Youth, Retirement, Disability, Families, Social Work, Psychology, Financial Information, Personal Advisers, Jobs, Education and Training, Multicultural Services and Interpreters.

The full range of retirement services offered by Centrelink will be available at Burwood.

**Hillsong Foundation and Associated Entities**

*(Question No. 629)*

**Dr Lawrence** asked the Minister for Transport and Regional Services, in writing, on 7 March 2005:

For each of the last five years, what are the details and sum of each grant and service payment by the Minister’s department and agencies within the Minister’s portfolio to (a) the Hillsong Foundation, and (b) its associated entities.

**Mr Anderson**—The answer to the honourable member’s question is as follows:

(a) The Department of Transport and Regional Services has made no payments to the Hillsong Foundation.

(b) The Department of Transport and Regional Services has made the following grants to Hillsong Emerge Ltd, which is known to be an entity associated with the Hillsong Foundation:

(i) Hillsong Emerge Ltd was approved for funding of $82,500 (GST incl) under the Regional Partnerships Programme in March 2004 for the Redfern Micro Enterprise Hub Fit Out project. The project is to fit out premises in the inner Sydney suburb of Redfern to provide the socially disadvantaged residents of the area with access to a range of employment, enterprise and employment services. A funding agreement was executed on 22 April 2004. A first payment of $41,250 (GST inc) was made on 18 May 2004. The remainder of the funding is scheduled for payment in the 2005/2006 financial year.

(ii) Hillsong Emerge Ltd was approved in December 2002 for funding of $89,012 (GST incl) under the Regional Assistance Programme to conduct the Mt Druitt Enterprise Learning Centre (from Welfare to Work through Enterprise Thinking) project. The project’s overall aim was to encourage economic development in Mt Druitt by instilling and promoting a sense of enterprise especially for sole parents and Disability Support Pension recipients. It would do so by helping to identify hobbies, past and/or current interests of targeted individuals and exploring the potential of converting these activities into viable income generating enterprises.
The project’s final funding instalment was processed on 26 November 2004.

**Villawood Immigration Detention Centre**  
(Question No. 757)

**Mr Laurie Ferguson** asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 9 March 2005:

Can the Minister confirm reports of an alleged beating by GSL guards of Mr Ghorban Ali Barzegar Toppeh at the Villawood detention centre, or any other detention centre, while he was in the custody of the Minister’s department.

**Mr McGauran**—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

I am aware of an allegation that Mr Ghorban Ali Barzegar Toppeh was assaulted at the Villawood Immigration Detention Centre (VIDC) during his removal from Australia.

A search undertaken of departmental databases has been unable to identify any incident reports relevant to the alleged assault committed against Mr Toppeh at either Villawood IDC or any other detention centre.

Further, the Department has been unable to find any record of a complaint lodged by Mr Toppeh alleging that he was assaulted at VIDC or any other detention centre.

An allegation from a third party was received by the Department in relation to an alleged assault on Mr Toppeh during his removal from Australia. This allegation was immediately acted on and the removal process of Mr Toppeh was reviewed. The outcome of the review was that there was no evidence to substantiate the allegations. On the occasion of this alleged assault, both a senior departmental officer and officers from the New South Wales Police were present.

**Debt Notices**  
(Question No. 773)

**Mr Brendan O’Connor** asked the Minister for Human Services, in writing, on 9 March 2005:

When sending a debt notice, what obligations does Centrelink have to its clients in respect of

(a) an explanation of the reason for the alleged debt,
(b) a presumption of a client’s innocence in respect of the alleged debt,
(c) the time permitted for a client to respond to the alleged debt, and
(d) the time from notification of a debt before requiring repayment.

**Mr Hockey**—The answer to the honourable member’s question is as follows:

(a) Under the Social Security Act 1991, section 1229 (1) and Family Assistance (Administrative) Act 1999, section 77, Centrelink has an obligation to provide information when issuing a debt notice. Relevant sections of the Social Security Act 1991 and Family Assistance (Administrative) Act 1999 are below:

Social Security Act 1991

Notices in respect of debt - section 1229(1)

“If a debt by a person to the Commonwealth under the social security law has not been wholly paid, the Secretary must give the person a notice specifying:

(a) the date on which it was issued (the date of the notice); and

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QUESTIONS IN WRITING
(b) the reason the debt was incurred, including a brief explanation of the circumstances that led to
the debt being incurred; and
(c) the period to which the debt relates; and
(d) the outstanding amount of the debt at the date of the notice; and
(e) the day on which the outstanding amount is due and payable; and
(f) that a range of options is available for repayment of the debt; and
(g) the contact details for inquiries concerning the debt.”

Family Assistance (Administrative) Act 1999
Notices in respect of debt - section 77.(1)
‘If a debt by a person to the Commonwealth under a provision of this Part has not been wholly
paid, the Secretary must give the person a notice specifying:
(a) the date on which it was issued (the date of the notice); and
(b) the reason the debt was incurred, including a brief explanation of the circumstances that led to
the debt being incurred; and
(c) the period to which the debt relates; and
(d) the outstanding amount of the debt at the date of the notice; and
(e) the day on which the outstanding amount is due and payable; and
(f) that a range of options is available for repayment of the debt; and
(g) the contact details for inquiries concerning the debt. ‘

(b) The debt recovery provisions are separate to any offence provisions. A debt will exist regardless of
whose fault it was, however there are waiver provisions that may be applicable in the event a cus-
tomer did not contribute to the debt.

(c) The legislation states ‘the outstanding amount of the debt is due and payable on the 28th day after
the date of the notice’. There is currently no time limit on reviews and appeals, even after a debt
has been finalised.

(d) The legislation specifies that a debt is payable on the 28th day after the date of the notice.

Ipswich Motorway
(Question No. 823)

Mr Ripoll asked the Minister for Transport and Regional Services, in writing, on 7 March
2005:

(1) Does the Government have a preferred outcome for the feasibility study into the northern bypass of
the Ipswich Motorway.
(2) Will the Government accept the outcome of the feasibility study into the northern bypass of the
Ipswich Motorway.
(3) How did the Government determine that a northern bypass of the Ipswich Motorway would solve
the traffic problems on the motorway.
(4) Is it the Government’s intention that the northern bypass on the Ipswich Motorway will become
part of the national highway network if the feasibility study determines that the project is feasible.
(5) Is it the Government’s intention that the Ipswich Motorway will cease to be part of the national
highway network if the feasibility study into the northern bypass determines that the project is fea-
sible.
(6) Is it the Government’s intention to build the northern bypass of the Ipswich Motorway regardless of the outcome of the feasibility study.

(7) Do the claims made by the Member for Blair during the 2004 federal election campaign that the northern bypass of the Ipswich Motorway would take “half the time” at “half the cost” of upgrading the Ipswich Motorway, accurately reflect Government policy; if so, what study or report is the basis of this view.

(8) What sum has been allocated for the construction of the northern bypass of the Ipswich Motorway and when will it be made available.

(9) What other options are being considered to deal with traffic problems on the Ipswich Motorway.

(10) Has the community been consulted on the construction of the northern bypass of the Ipswich Motorway; if so, when and by whom.

(11) What is the Government’s timeframe for solving the traffic problems in Brisbane’s south-west, in particular, in relation to the Ipswich Motorway.

(12) Is the statement that the Government has committed $627 million to this project over the next five years in relation to the Ipswich Motorway by the Prime Minister on 4BC on 28 September 2004 still Government policy; if so, when will the money be available to complete the full-upgrade of the Ipswich Motorway.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) No, the Government does not have a preferred outcome.

(2) The Government will await the outcome of the feasibility study which will inform any decisions.

(3) The Government was concerned that the proposed upgrade of the Ipswich Motorway would not, on its own, address the long term traffic problems of this area of urban Brisbane and asked the Queensland Government to examine the potential of a northern option.

(4) It is premature to anticipate the outcome of the independent feasibility study in relation to the scope of the AusLink National Network in this area.

(5) No. The northern option feasibility study is examining the potential for a feasible alternative to that part of the Ipswich Motorway from Dinmore to Gailes, not the full length of the Ipswich Motorway.

(6) The Government is awaiting the outcome of the independent study before making any decisions.

(7) The cost of a northern bypass of the Ipswich Motorway is the object of a feasibility study.

(8) No funds have been allocated for the construction of a northern bypass. A total of $627 million is available in the first five years of AusLink for the Brisbane urban connectors.

(9) Some interim safety works are being carried out and the Australian Government has committed to the upgrade of the Logan Motorway/Ipswich Motorway interchange.

(10) I understand there has been limited targeted stakeholder consultation by the Consultant in the preparation of the feasibility study.

(11) Resolving the issues on the Ipswich Motorway have high priority and timing will depend on what is feasible and achievable within the funding available in partnership with the Queensland Government.

(12) As stated in the National Land Transport Plan in the AusLink White Paper, project priorities and investment levels will be determined in the context of an integrated urban solution for the Brisbane urban corridors. $627 million has been provided for this purpose in the current five-year period.
Questions in Writing

Science Education
(Question No. 908)

Mr Murphy asked the Minister for Education, Science and Training, in writing, on 17 March 2005:

(1) Will the Government address the decline in participation in science education at the (a) primary, (b) secondary, (c) undergraduate, and (d) post-graduate level; if so, how; if not, why not.

(2) Will the Government address the skills shortage of scientifically trained professionals in Australia; if so, how; if not, why not.

Dr Nelson—The answer to the honourable member’s questions is as follows:

(1) The Australian Government is addressing the decline in participation in science education in the following ways:

(a) Primary Level and (b) Secondary Level:

Several recent studies (including the Government’s 2003 independent Review of Teaching and Teacher Training) have reported that in primary schools, science is often either not taught or not taught systematically.

A key issue is the lack of confidence of primary teachers due to limited experience in science.

In 2004, the Australian Government approved funding of $1.8 million from its Quality Teaching Programme for the second stage of Primary Connections (the Primary School Science and Literacy Project), being undertaken by the Australian Academy of Science. The Project will build primary students’ knowledge and understanding of science while also focussing on the development of their literacy skills.

This Project is being developed in collaboration with representatives from all State, Territory and Commonwealth education jurisdictions, along with Catholic and Independent sectors and professional associations. Stage Two of the Project is developing, trialling and evaluating curriculum materials and an associated professional learning model.


The Government also supports Primary School outreach programmes such as “SMART” (Science, Mathematics And Real Technology) Programme (run through the University of Newcastle) and EngQuest, an initiative of Engineers Australia.

On 6 May 2004, the Prime Minister announced a raft of initiatives (a package totalling $5.3 billion over seven years) under the second round of Backing Australia’s Ability - Building Our Future Through Science and Innovation.

These initiatives included, in response to the 2003 report of the findings and recommendations of the Review of Teaching and Teacher Education, new funding of $38.8 million over seven years from 2004-05 for measures to strengthen science, mathematics and technology education, increase the number of talented people attracted to teach in the fields of science, technology and mathematics and build a culture of continuous innovation in Australian schools in the long term, through the Boosting Innovation, Science, Mathematics and Technology Teaching (BISTMT) Programme.

The main element of the BISTMT Programme is the Australian School Innovation in Science Technology and Mathematics (ASISTM) Project, through which funding will be available for groups of schools (both primary and secondary) and their partners (including tertiary education institutions, science, industry and business organisations) to promote innovative approaches and improve the teaching and learning of science, technology and mathematics in Australian schools.
As an integral part of these projects, schools will engage teacher associates – tertiary students, researchers and other specialists in science, technology and mathematics - to provide positive role models, excite student interest in these subjects and assist with other aspects of projects.

The linking of schools with local industry and business through ASISTM projects will help develop in students an interest and understanding of science and technology applications in the real world.

The first round of ASISTM applications is currently being assessed. Round two will be advertised in the middle of this year.

The Australian Government has also provided funding for a range of other initiatives to encourage and improve the teaching and learning of science and mathematics in schools. These include:

- investment of almost $300 million from 2000-2009 through the Australian Government Quality Teacher Programme (AGQTP) to improve the professional skills, knowledge and understanding of teachers in specified priority areas (including science, mathematics and numeracy, and technology/ICT), and to enhance the status of teaching;
- establishment of the National Institute for Quality Teaching and School Leadership (NIQTLS) with initial funding of $10 million from the AGQTP. The Institute, run by and for the profession, aims to raise the status, quality and professionalism of teachers and school leaders. The NIQTLS has four key functions: professional standards development, professional learning, research and communication, and promotion of the profession;
- development of science materials and infrastructure as part of the $68 million Le@rning Federation – Schools Online Curriculum Content Initiative;
- development of Curriculum Corporation’s ScienceLynx website to provide a science web portal linking to a variety of resources and support materials.
- development, through the Australian Council for Educational Research (ACER), of the Science Education Assessment Resources (SEAR) project, an online assessment resource to improve assessment of science learning in schools.
- collaboration with the States and Territories to develop national statements of learning for science and maths;
- the $2.5 million National School Science Project to enhance the quality of primary and secondary science education in Australia;
- Australia’s participation in the Third International Mathematics and Science Study (TIMSS);
- development by the Australian Science Teachers Association (ASTA) of National Professional Standards for Highly Accomplished Teachers of Science;
- the School Community Industry partnerships in science (SCIps) Project, which supports a diverse range of science-based partnership projects in schools;
- the National Skills Shortages Strategy, which includes the Adopt a School initiative to better connect students in regional schools with local industry to increase awareness of industry careers, including those based on science and engineering skills, and a Science and Emerging Technology Careers project to create a better understanding of the potential for entry into science-based jobs and careers;
- Questacon and CSIRO Education;
- programmes to maintain and increase students’ interest in science, and to influence their decision to pursue science education beyond Year 10 – including the Science Connections Programme (SCOPE), which is supporting:

   elements of science programming available through “The Lab”, the ABC’s on-line science resource, including ‘The ExperiMentals’, a 21st Century version of ‘Why is it So?’; ‘Ace Day Jobs’ –
a series on some of the fascinating jobs in Australia that require a science background (forthcom-
ing); and News in Science;
National Science Week, an annual celebration of science involving partnerships with CSIRO Edu-
cation, ASF Ltd, the ABC's Science Unit and the Australian Science Teachers Association, and in-
cluding a grants programme which assists community participation nationally;
The Australian Science and Mathematics Olympiads programmes, which offers students the oppor-
tunity to compete internationally in Physics, Chemistry, Biology, Mathematics and Informatics;
The University of Newcastle’s Science and Engineering Challenge, an inter-school competition
which introduces students to practical applications of science and mathematics and which is ex-
panding nationally with SCOPE funding;
The Australian Museum’s “Science in the City” programme, including new outreach activities in
western Sydney; and
the Prime Minister’s Prizes for Science, which are awarded annually to the best of our scientists
and science teachers.
(c) Undergraduate and (d) Post-graduate Level:
Teaching is the most important school-related factor shaping student learning. The Australian Gov-
ernment has provided considerable funding to strengthen teaching through initial teacher education
as well as teacher professional learning. Relevant Government initiatives include:
- On 2 July 2004 I announced the allocation of new higher education places to start in 2005.
This includes around 1,700 teaching places throughout the sector, which will grow to around
4,700 places by 2008. In addition, the Government has allocated 150 teaching places to private
higher education providers.
- making teacher education a national higher education priority - allocating additional places,
ensuring HECS fees do not rise above CPI and investing an extra $109.2 million for the costs
to universities of the teacher practicum.
At the higher education level, the Commonwealth has several initiatives in place to support enrol-
ments in science fields. Under Backing Australia’s Ability, the Commonwealth has provided 5,470
higher education places in the fields of science, mathematics and information technology. $151
million was provided for this initiative over the first five years (2001-2005), with a further $200
million being provided over the following five years.
The success of this has been demonstrated by the rise in student numbers in the broad field of sci-
ence. In 2003, the number of students in the Natural and Physical Science field of education to-
talled 70,556, an increase of 14% since 2001.
Under Backing Australia’s Future, the reforms to the higher education sector have provided for
9,100 new Commonwealth-supported higher education places to publicly-funded higher education
institutions in 2005. This will grow to 24,883 places by 2008 as students continue in their courses.
By 2008, almost 2,000 of these places will be in science-related disciplines.
(2) Addressing the skills shortage of scientifically trained professionals in Australia
The Government is undertaking an audit of science, engineering and technology skills in Australia
that will address the rates of participation in science subjects in education and training as well as
any shortages in science professionals. The audit will include the collection and analysis of new
data as well as high level analysis of existing data. The supply of science, engineering and technol-
ogy skills from all levels of education and training will be analysed - including schools, vocational
education and training and higher education. A report on trends in the supply of science, engineer-
ing and technology skills over time will be developed.
The audit will also include research on school students’ perceptions about the study of science and mathematics, their future study intentions in respect to science and mathematics and their future career intentions and aspirations. This research is important for understanding the factors influencing trends in the study of science and mathematics.

The audit will also analyse the extent to which the demand for science, engineering and technology skills are being met by the education sectors and examine the changing nature of the skills required in science, engineering and technology to address industry needs.

Consultations with industry representatives and the public will be conducted to assess current and projected skill needs and to quantify such factors as skill movement, difficulty in recruitment and staff shortages.

Short and long term trends in the international mobility of science, engineering and technology skills will also be analysed. This will include a report on the likely impact of international developments on the future supply of science, engineering and technology skills in Australia as well as an analysis of the likely international demand for Australians with science, engineering and technology backgrounds. This will also cover the possible effect on the supply of skilled people for Australia’s skilled migration program.

The audit is a multi-faceted approach aimed at encompassing all possible routes of skill development and supply and the utilisation of these skills by Australian industry.

**Financial Assistance Grants**

*(Question No. 923)*

**Mrs Irwin** asked the Minister for Local Government, Territories and Roads, in writing, on 17 March 2005:

What sum was allocated in local government financial assistance grants during (a) 2003-2004, and (b) 2004-2005 to the (i) City of Fairfield and (ii) City of Liverpool.

**Mr Lloyd**—The answer to the honourable member’s question is as follows:

Each year the Federal Government provides financial assistance grants to Local Government paid through the States under the Local Government (Financial Assistance) Act 1995. The financial assistance grants have two components – general purpose grants and identified local roads grants – and both components are untied in the hands of the receiving council. This means that councils are able to spend the grant (including the local road grant) according to the priorities of their communities.

The Act specifies how the quantum of the grant is determined and how it is distributed between States. Within States, the grant is distributed to councils according to the recommendation of the respective Local Government Grants Commissions established by each State as a condition of receiving funding under the Act. Further details are provided in the Report on the Operation of the Local Government (Financial Assistance) Act 1995 (commonly known as the National Report). The latest report was tabled in Parliament on 26 May 2005.

In the following table, financial assistance grants for 2004-05 are estimates.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>2003-04</th>
<th>2004-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Fairfield</td>
<td>$8,517,024</td>
<td>$8,510,071</td>
</tr>
<tr>
<td>City of Liverpool</td>
<td>$6,579,235</td>
<td>$6,661,486</td>
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</table>
Consultancies  
(Question No. 1097)

Mr Bowen asked the Minister representing the Minister for Family and Community Services, in writing, on 10 May 2005:

(1) Did the department or any agency under the Minister’s portfolio engage the services of a public relations, public affairs or media management consultancy in 2004; if so, what was the (a) purpose and (b) cost of each engagement.

(2) What was the name and postal address of each company engaged for these purposes.

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) (a) Horizon Communication Group were engaged to provide a range of public affairs, media, marketing, sponsorship and other specified services to assist with the promotion of National Youth Week 2005. (b) $277,750 (including GST).

(2) Horizon Communication Group Pty Ltd, PO Box 37, Pyrmont NSW 2009.

(1) (a) Fenton Communications were engaged to undertake a review of communication activities for The Australian Institute of Family Studies in 2004. (b) $60,545.00 (including GST).

(2) Fenton Communications, Level 10, 423 Bourke Street, Melbourne VIC 3000.

(1) (a) Sefton & Associates were engaged to develop a newspaper column pilot for Centrelink. (b) $21,142 (including GST)

(2) Sefton & Associates, Suite 7/344 Conadilly Street, Gunnedah NSW 2380.

(1) (a) SGW & Associates were engaged to assist in the production of an Internal Communications Framework project for Centrelink. (b) $63,992.07 (including GST).

(2) SGW & Associates Pty Ltd, 22/7 Eildon Road, St Kilda VIC 3182.

(1) (a) Lee Dickson Communications were engaged to work on internal communications and editing services for the Centrelink Information Handbook. (b) $22,396.00 (including GST).

(2) Lee Dickson Communications, PO Box 160, Oberon NSW 2787.

(1) (a) Mediascape Analytical & Research Services were engaged to develop media analysis and reporting for Centrelink. (b) $179,149.60 (including GST).

(2) Mediascape Analytical & Research Services, PO Box 1219, Manly NSW 2095.

(1) (a) Retail Environment Design Pty Ltd were engaged to develop an information display, brand and signage review for Centrelink. (b) $183,136.05 (including GST)

(2) Retail Environment Design Pty Ltd, 49 Cardigan Place, Albert Park VIC 3206.

(1) (a) Cosway Australia Communications Counsel were engaged to develop a Media Communications Plan for the Child Support Agency. (b) $25,791.69 (including GST)

(2) Cosway Australia Communications Counsel, PO Box 593, Milsons Point NSW 1565.

(1) (a) Crosby Textor Research Strategies Results were engaged to develop a Media Communications Plan for the Child Support Agency. (b) $41,2500 (including GST)

(2) Crosby Textor Research Strategies Results, PO Box 3632, Manuka ACT 2603.

Recruitment Agencies  
(Question No. 1115)

Mr Bowen asked the Minister representing the Minister for Family and Community Services, in writing, on 10 May 2005:
(1) What sum was spent on recruitment agencies in (a) 2001, (b) 2002, (c) 2003, and (d) 2004 by each department and agency in the Minister’s portfolio.

(2) Will the Minister provide a list of the recruitment agencies which are used by the department and agencies in the Minister’s portfolio.

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) What sum was spent on recruitment agencies in (a) 2001, (b) 2002, (c) 2003, and (d) 2004 by each department and agency in the Minister’s portfolio

<table>
<thead>
<tr>
<th>Year</th>
<th>Family and Community Services</th>
<th>Social Security Appeals Tribunal</th>
<th>Aboriginal Hostels Limited</th>
<th>Australian Institute of Family Studies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$409,340</td>
<td>$119,743.05</td>
<td>$331,641.23</td>
<td>Nil</td>
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<tr>
<td>2002</td>
<td>$133,410</td>
<td>$115,755.18</td>
<td>$638,294.79</td>
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<td>2003</td>
<td>$130,640</td>
<td>$101,079.10</td>
<td>$648,611.95</td>
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<tr>
<td>2004</td>
<td>$115,870</td>
<td>$100,723.49</td>
<td>$328,615.62</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(2) Will the Minister provide a list of the recruitment agencies which are used by the department and agencies in the Minister’s portfolio.

Recruitment agencies used by Family and Community Services
- Spherion Group Limited
- Hays Personnel Services
- Drake Office Overload Pty Ltd
- Select Australasia Pty Ltd
- Cameron & Associates
- Effective People Pty Ltd
- Management Consortium
- The Green & Green Group Pty Ltd
- Geoffrey Blunden
- Datacol Research Pty Ltd
- Greg Ryan & Associates
- Mei Regan
- Merit Solutions Pty Ltd
- Laurie Maher Hr Consultant
- The Home Office
- Catalyst Recruitment Systems Ltd
- MJL People Dynamics
- Monika Kruesmann
- Oz Jobs
- Margie Muirhead
- The Public Affairs Recruitment
- Neo Logical Consulting
- Appoint Pty Ltd
- Whitton, Trevor
- Joshaymee Pty Ltd

Candle Australia Limited
Adecco Australia Pty Ltd
Employment National (Admin) Pty Ltd
Bryan Butler & Associates Pty Ltd
Careers Unlimited
Interim Hr Solutions Pty Ltd
Morgan & Banks Limited (Now TMP Worldwide)
Walterturnbull
Wordsworth Writing
Tonvia Pty Ltd
Maurice Sexton And Associates P/L
Nga.Net Pty Ltd
Patterson Personnel
Employment National
Rod Goodall And Associates
Recruitment Management Company
The Home Office
Quadrate Solutions
Aquarius Communications
Kowalski Recruitment
Kevin Smith
R&M Consultants NT Pty Ltd
Therese Traves
Claudia Morris (Scribe Services)
Greythorn Pty Ltd
Ron Hogan & Associates
Genevieve Moore
Accountants Choice Recruitment
Ms Plibersek asked the Treasurer, in writing, on 10 May 2005:

(1) Will he provide a copy of the policy and eligibility guidelines relating to work-related child care expenses and Fringe Benefits Tax (FBT) and the circumstances in which FBT exemption for child care is given.

(2) For each financial year since 2000-2001, how many employers claimed FBT exemptions for business expenses relating to child care and what sum did the exemption cost the Commonwealth.

(3) How many employers that were exempt from paying FBT relating to child care had (a) less than 20 employees, (b) between 21 and 100 employees, and (c) more than 100 employees.

(4) For each financial year since 2000-2001, how many employers who were registered as fringe benefit tax employers claimed child-care related business expenses.

(5) For each financial year since 2000-2001, how many employers reported fringe benefits relating to child care.

(6) For each financial year since 2000-2001, how many employees had reportable fringe benefits relating to child care reported by their employer.

(7) For each financial year since 2000-2001, what was the (a) highest, (b) lowest, and (c) average value of reported child care fringe benefits for employees.

Mr Costello—The answer to the honourable member’s question is as follows:


However, the employers guide does not deal specifically with the issue of child care and the matter of expense payment benefits.
(2) to (7) The ATO does not have information at the individual employee level about the extent of child care expense payment benefits provided, whether or not under salary packaging arrangements, by employers.

Additionally, child care facility benefits provided to employees by employers within their business premise are exempt benefits that are not required to be reported in the FBT tax return. Accordingly there is no data available from tax information reported to the ATO to answer these questions.

Millennium Development Goals
(Question No. 1138)

Ms Plibersek asked the Minister for Foreign Affairs, in writing, on 10 May 2005:

(1) Who will be representing Australia at the United Nations Summit on the Millennium Development Goal Progress in New York in September.

(2) What package of initiatives to progress the Millennium Development Goals will the Government take to the United Nations Summit.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) At this stage, no final decision has been taken on attendance at the United Nations Summit.

(2) Australia is playing its part to progress the Millennium Development Goals (MDGs) through Whole of Government policies and actions, promoting the conditions necessary for development and poverty reduction. In particular, we are supporting broad-based and sustainable economic growth to assist in lifting people out of poverty and accelerate progress against the MDGs.

Australia’s aid program promotes such growth by assisting developing countries to provide security and stability, improve governance, undertake economic reform, open up to trade and allow the poor to participate in growth through rural development and increased market access.

Australia is advancing the MDGs in this way by providing well-targeted and effective aid, appropriate debt relief, duty-free and quota-free market access to goods from the Least Developed Countries, and by promoting and supporting global economic growth, including through more liberalised world trade.

Australia’s aid program also invests directly in specific MDG areas. For example, in 2005-06, targeted expenditure on health and education will increase by $81 million to over $600 million. The aid program is also contributing $152 million for better water and sanitation and $305 million for environment-related programs. The Government’s multi-year $600 million HIV/AIDS commitment, including the $75 million commitment to the Global Fund to Fight AIDS, Tuberculosis and Malaria, directly addresses the goal to halt and begin to reverse the spread of HIV/AIDS.

Australia will provide an estimated $2.491 billion in Official Development Assistance (ODA) in 2005-06 - an increase of $358 million on the 2004-05 Budget Figure and a real increase of 11.7 per cent. This marks the fifth successive budget that the Government has delivered real growth in ODA.

Volunteer Small Equipment Grants
(Question No. 1143)

Mr Price asked the Minister representing the Minister for Family and Community Services, in writing, on 10 May 2005:

Which organisations (a) applied for and (b) received funding under the Volunteer Small Equipment Grants program in (a) 2003 and (b) 2004 in the electoral division of (i) Chifley, (ii) Greenway, and (iii) Lindsay.
Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

Please see attachments

(a) Chifley

<table>
<thead>
<tr>
<th>VSEG 2003</th>
<th>VSEG 2004 (Round 1)</th>
<th>VSEG 2004 (Round 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Approved</td>
<td>Funding Approved</td>
<td>Funding Approved</td>
</tr>
<tr>
<td>Graceades Community Cottage Playtime</td>
<td>Blacktown Aboriginal Corporation</td>
<td>1st Whalan Scout Group</td>
</tr>
<tr>
<td></td>
<td>Rooty Hill Rural Fire Brigade</td>
<td>Archangel Michael &amp; Stsbishoy Coptic Orthodox Church</td>
</tr>
<tr>
<td>Wesley Mission-Mt Druitt Integrated Youth Service</td>
<td>The Trustees Of The Roman Catholic Church For The Diocese Of Parramatta</td>
<td>Greening Australia</td>
</tr>
<tr>
<td></td>
<td>Womens Activities And Self Help House Inc</td>
<td>Llandilo Volunteer Rural Fire Brigade</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rooty Hill &amp; Districts Seniors Computer Club Inc</td>
</tr>
<tr>
<td></td>
<td></td>
<td>St Mary Magdalene Anglican Church St Marys</td>
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<td></td>
<td></td>
<td>St Marys Branch Of The Combined Pensioners And Superannuants Association Of NSW</td>
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<tr>
<td></td>
<td></td>
<td>St Marys Community Arts &amp; Craft Centre Inc</td>
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<tr>
<td></td>
<td></td>
<td>Way Out West Fine Music Inc</td>
</tr>
</tbody>
</table>

(b) Greenway

<table>
<thead>
<tr>
<th>VSEG 2003</th>
<th>VSEG 2004 (Round 1)</th>
<th>VSEG 2004 (Round 2)</th>
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</thead>
<tbody>
<tr>
<td>Funding Approved</td>
<td>Funding Approved</td>
<td>Funding Approved</td>
</tr>
<tr>
<td>(none)</td>
<td>Blacktown City Lantern Club</td>
<td>2nd Kings Langley Scout Group</td>
</tr>
<tr>
<td></td>
<td>Country Womens Association of NSW</td>
<td>Blacktown Rugby Union Club</td>
</tr>
<tr>
<td></td>
<td>Eagles Raps Inc</td>
<td>Computer Pals Blacktown Inc</td>
</tr>
<tr>
<td></td>
<td>Karabs Community and Development Services</td>
<td>Computerbank Sydney Inc</td>
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<tr>
<td></td>
<td>Muscular Dystrophy Association of NSW</td>
<td>Eagles Baseball Club Inc</td>
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<tr>
<td></td>
<td>The Western Sydney Lighthouse Project</td>
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<td></td>
<td></td>
<td>Lions Club Of Kings Langley Inc</td>
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<td>Marsden Park Rural Fire Brigade</td>
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<td>Oakville Volunteer Bushfire Brigade</td>
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<td>Shamrocks Netball Club</td>
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<td>Uniting Church Property Trust NSW</td>
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(c) Lindsay

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<thead>
<tr>
<th>VSEG 2003</th>
<th>VSEG 2004 (Round 1)</th>
<th>VSEG 2004 (Round 2)</th>
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<tr>
<td>Funding Approved</td>
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<tr>
<td>Castlereagh Rural Fire Brigade Cranebrook Development Project</td>
<td>Bibles for Missions Incorporated</td>
<td>Arthritis Foundation of NSW</td>
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<td>Girl Guide Association Western Sydney Region</td>
<td>Australian Breastfeeding Association</td>
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<td>Glenbrook Public School Parents and Citizens Association</td>
<td>Glenbrook Lapstone Rural Fire Brigade</td>
<td>Joey's Before &amp; After School Care Inc</td>
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<tr>
<td>Glenmore Park Community Development Project</td>
<td>Nepean Blue Mountains Cardiac Support Group Inc</td>
<td>Lifeline Penrith Regional Centre</td>
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QUESTIONS IN WRITING
Tuesday, 14 June 2005

Mr Murphy asked the Minister for Employment and Workplace Relations, in writing, on
10 May 2005:

(1) Are recipients of the Disability Blind Pension (DSB) subject to an income and/or an asset test; if so, what are the details; if not, why not.

(2) Are recipients of the DSB required to report their income to Centrelink.

(3) Are DSB recipients who are not in residential care and not receiving Centrelink rent assistance but have a partner receiving Centrelink benefits subject to a Centrelink income reporting obligation; if so, why; if not, why not.

(4) Is it the case that DSB recipients may have their DSB benefit withheld if they have a partner receiving a Centrelink benefit who fails to report income to Centrelink; if so, why; if not, why not.

(5) Will the Minister guarantee that DSB recipients not in residential care or not receiving rent assistance will not be sent Centrelink Income Reporting Maintenance Period letters; if so, when; if not, why not.

(6) Will the Minister guarantee that DSB recipients not in residential care or not receiving rent assistance will not have their benefit withheld if they have a partner receiving a Centrelink benefit who fails to report their income to Centrelink; if so, when; if not, why not.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) Yes, in certain situations, explained below, DSP (blind) recipients are subject to income and assets tests.
(a) DSP (Blind) recipients who are also claiming, or in receipt of, Rent Assistance. This is because Rent Assistance is paid subject to income and assets tests. For DSP (Blind) recipients the combined rate of DSP and Rent Assistance is the greater of:
- the rate (including Rent Assistance) that would be payable after applying both the income and assets tests as if the recipient was not permanently blind; or
- the maximum rate of DSP payable not including Rent Assistance.

(b) DSP (Blind) recipients who have a partner who is not permanently blind and who claims, or is in receipt of, a payment that is subject to the income and assets tests. The income and assets of the DSP (Blind) recipient are required to determine the partner’s eligibility for, and rate of, payment.

DSP (Blind) recipients under Age Pension age can also accrue and deplete working credits if their income details are provided for the purpose of payment of Rent Assistance or to establish their partner’s entitlement.

(c) Single DSP (Blind) recipients who have variable employment income. These recipients are placed on ‘stimulus reporting’ which means they are required to notify Centrelink of their income before their payment can be paid.

A recipient can ask Centrelink to change their reporting obligations to suit their situation, for example where:
- the employment income earned does not impact upon the rate payable; or
- the DSP (Blind) recipient receives Rent Assistance and the requirement to report each fortnight places unrealistic expectations upon the customer.

(2) If the DSP (Blind) recipient is not in one of the three situations above, they may disclose the income and assets to Centrelink if they wish. In these circumstances, their rate of payment will remain unchanged as they are not subject to the income and assets tests.

(3) Yes. A DSP (Blind) recipient who is not in residential care and not receiving Rent Assistance, but has a partner receiving Centrelink payments, will be subject to a Centrelink income reporting obligation, if:
- the partner is not permanently blind and is in receipt of a Centrelink payment subject to the income and assets tests; and
- both the recipient and the partner are under Age Pension age; and
- the partner has variable employment income and receives a Reporting and Income Statement (RIS) (a notice under section 68(2)(b) of the Social Security Administration Act 1999).

In this situation, the DSP (Blind) recipient will also receive a RIS. The RIS is a notice issued to certain recipients who are required to provide a fortnightly report of their employment income and other changes in circumstances. Recipients need to contact Centrelink on their reporting date and answer a series of questions in relation to employment income and other changes in circumstances that affect their Centrelink payment.

The RIS is sent to both members of the couple to provide flexibility where the “worker” is unable to report on a particular day due to work commitments. Only one member of the couple needs to report to Centrelink on behalf of both members of the couple.

Centrelink require notification from either the DSP (Blind) recipient or the partner to ensure the correct rates of payment are made and working credit balances are adjusted, if necessary.

(4) Yes. The DSP (Blind) recipient may have their payment withheld if they, or their partner, or both members of the couple, receive a RIS and neither party reports their employment income to Centrelink on their reporting date.
If their partner fails to report income or any other changes in circumstances to Centrelink, the DSP (Blind) recipient may have their payment withheld if it has been incorrectly paid and they have incurred a debt.

(5) No. I assume that the Member is referring to the Reporting and Income Statement (RIS) when he asks about the Centrelink Income Reporting Maintenance Period letters.

A RIS is sent to recipients in the following situations:

(a) Single DSP (Blind) recipients who are not in residential care or not receiving Rent Assistance will receive a RIS if they have variable employment income and have not agreed to alternative arrangements with Centrelink.

(b) Partnered DSP (Blind) recipients will receive a RIS under the circumstances outlined in (3).

(6) No. See response to (4).

**Telstra Mobile Online SMS Business Services**

**(Question No. 1164)**

**Mr Martin Ferguson** asked the Minister representing the Minister for Family and Community Services, in writing, on 10 May 2005:

(1) In respect of the provision of Telstra Mobile Online SMS Business Services or similar services to the Minister and the Minister’s staff, (a) does the Minister’s department provide such a service to the (a) Minister and (b) Minister’s staff; if so, when was the service first made available to the (i) Minister and (ii) Minister’s staff.

(2) What has been the cost of providing the service to the (a) Minister and (b) Minister’s staff since it was introduced.

**Mr Hockey**—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

The Department of Family and Community Services does not currently provide Telstra’s Mobile Online SMS Business Services, or similar services, to the Minister, or the Minister’s staff.

**Letters of Credence and Recall**

**(Question No. 1204)**

**Mr Melham** asked the Minister for Foreign Affairs, in writing, on 10 May 2005:

Why are Letters of Credence and Letters of Recall for foreign Ambassadors accredited to Australia addressed to Her Majesty the Queen and not to the Governor-General who signs the Letters of Credence and Letters of Recall for Australian Ambassadors accredited to foreign countries.

**Mr Downer**—The answer to the honourable member’s question is as follows:

The Commonwealth Constitution provides for the Governor-General, as The Queen’s representative, to exercise many powers and functions traditionally associated with a head of state. The Governor-General signs the Letters of Credence and Recall in this capacity. However, while the Governor-General can be regarded as the effective head of state in Australia, The Queen remains the formal Head of State in the conventional sense and it is customary that Letters of Credence and Recall are addressed to her when foreign countries are giving official notice of the movements of their Government’s representatives.

**Indian Ocean Tsunami**

**(Question No. 1206)**

**Mr Gibbons** asked the Minister for Foreign Affairs, in writing, on 10 May 2005:

(1) Is he aware that in some areas of Aceh survivors of the tsunami are still without adequate housing, food and water?
(2) Can he say how long it takes for money donated by the Australian community to reach the tsunami survivors?

(3) Is the money donated provided to the Indonesian Government or directly to the aid organisations?

(4) How long does it take for Australian Government funds to reach the tsunami survivors?

(5) Are Australian Government funds provided to the Indonesian Government or directly to the Aid Organisations?

Mr Downer—The answer to the honourable member’s questions is as follows:

(1) We are aware of the continuing need to provide short term humanitarian aid including food, water, shelter and medical supplies to vulnerable communities in Aceh. The Australian Government is continuing to provide humanitarian aid through the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) Humanitarian Relief Fund. We have also provided support to the World Food Program which has fed communities for five months and is continuing to distribute food supplies.

CARE and Surfaid are being funded to deliver food and non-food items on Simeulue and Nias. In addition medical treatment is being provided to affected populations, as well as measles immunizations, tetanus vaccine and nutritional support for mothers and children.

The Australian Government has directly transported food, equipment and personnel to vulnerable communities and is continuing to provide logistical support. We are also providing technical support to the Aceh Reconstruction Agency to coordinate the aid effort.

(2) No. The Australian Council for International Development (ACFID) are reporting on this aspect.

(3) Again, this question can only be answered by ACFID or the specific NGO’s concerned.

(4) Australian Government assistance to tsunami affected areas was immediate. The Australian Government’s response to the Boxing Day tsunami commenced on 26 December. Essential supplies and medical teams arrived in Aceh on 29 December 2004. Australia’s emergency response to Indonesia included:

- deployment of five civilian medical teams, totalling over 100 Australian doctors and nurses, to provide urgent medical assistance;
- provision of a 90 bed Australian Defence Force Field Hospital located in Banda Aceh;
- provision of water purification plants to Banda Aceh, pumping 480,000 litres of clean water a day;
- emergency provision of tetanus toxoid vaccines and tetanus immunoglobulin to treat and prevent disease;
- sourcing and delivering 129,000 20L water containers to Banda Aceh;
- chartering vessels and light aircraft to deliver urgent food, shelter equipment and medical supplies and medical personnel to affected areas on the West Coast; and
- distribution of dry food baskets of rice, oil, tea and salt as well as blankets, clothing, cooking sets and tents to 40,000 families in Banda Aceh.

Australia’s assistance to tsunami affected areas is ongoing.

(5) Australia provided $33 million in emergency funds to Indonesia. This involved the provision of funds to NGO’s and United Nations agencies but not to the Indonesian government. Under the Australian Government’s $1 billion Australia-Indonesia Partnership for Reconstruction and Development (AIPRD) an initial allocation of $50m has been announced for Aceh’s reconstruction. This is being delivered primarily via Australian, New Zealand and Indonesian contractors.
Sea Cargo
(Question No. 1212)

Mr McClelland asked the Minister representing the Minister for Justice and Customs, in writing, on 10 May 2005:

(1) What is the Government’s policy on interdicting and boarding cargo vessels that fail to provide cargo reports detailing the content of their cargo 48 hours prior to arriving at an Australian port, as required under s64AB of the Customs Act 1901 and r26B of the Customs Regulations 1926.

(2) What maritime capacity does the Australian Customs Service (ACS) have to interdict and board late reporting cargo vessels.

(3) How are the ACS vessels armed.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) Customs risk assesses all commercial vessels in advance of arrival and boards those considered high risk immediately on arrival. Customs does not interdict and board vessels prior to arrival for failure to report cargo within the stipulated timeframes.

(2) Customs has eight Australian Customs Vessels (ACVs).

(3) The crews of the ACVs currently have access to personal defence equipment that include Glock 9mm hand guns, M16 Armalite 5.56mm automatic rifles, shotguns, capsicum spray, batons and handcuffs. The 2005-06 Budget provided funding for all ACVs to be fitted with deck-mounted 7.62 mm FN Herstal MAG General Purpose Machine Guns.

Australian Strategic Policy Institute
(Question No. 1220)

Mr McClelland asked the Minister representing the Minister for Justice and Customs, in writing, on 10 May 2005:

(1) Is the Minister aware of the Australian Strategic Policy Institute Report dated 19 April 2005 titled Future Unknown: The Terrorist Threat to Australian Maritime Security?

(2) Will the Australian Customs Service implement any of the recommendations contained in the report; if so, which ones.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) Yes.

(2) As stated by the Australian Strategic Policy Institute (ASPI), the opinions and recommendations in the report are published by ASPI to promote public debate and understanding of strategic and defence issues. Customs will consider the report’s findings, particularly recommendations 4 and 5.

Board of Taxation
(Question No. 1334)

Mr Bowen asked the Treasurer, in writing, on 12 May 2005:

(1) Who are the members of the Board of Taxation.

(2) What was the date of appointment of each member.

(3) What is the remuneration of each member.

(4) How many times in 2004 did the Board of Taxation meet.
Mr Costello—The answer to the honourable member’s question is as follows:

(1) and (2) The current members of the Board of Taxation and the date each was first appointed to the Board are as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Date of first appointment to the Board</th>
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<tbody>
<tr>
<td>Mr Richard Warburton, Chairman</td>
<td>14 September 2000</td>
</tr>
<tr>
<td>Mr Chris Jordan, Deputy Chairman</td>
<td>14 September 2000</td>
</tr>
<tr>
<td>Mr Michael Carmody, ex officio member</td>
<td>14 September 2000</td>
</tr>
<tr>
<td>Mr Brett Heading, member</td>
<td>14 September 2000</td>
</tr>
<tr>
<td>Dr Ken Henry, ex officio member</td>
<td>27 April 2001</td>
</tr>
<tr>
<td>Ms Jane Schwager, member</td>
<td>16 October 2002</td>
</tr>
<tr>
<td>Mr Keith James, member</td>
<td>1 March 2004</td>
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<tr>
<td>Mr Peter Quiggin, ex officio member</td>
<td>19 September 2004</td>
</tr>
<tr>
<td>Mr Eric Mayne, member</td>
<td>15 January 2005</td>
</tr>
<tr>
<td>Mr Curt Rendall, member</td>
<td>15 January 2005</td>
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(3) The Chairman of the Board of Taxation receives a daily fee of $666 while members (other than the three ex officio members) each receive a daily fee of $503.

(4) Ten.

International Criminal Court Act 2002
(Question No. 1355)

Mr Rudd asked the Minister for Foreign Affairs, in writing, on 12 May 2005:

Has he or his department sought legal advice on section 98 of the International Criminal Court Act 2002; if so, when was the advice requested and received

Mr Downer—The answer to the honourable member’s question is as follows:

No.

Information Technology Support
(Question No. 1362)

Mr Rudd asked the Minister for Foreign Affairs, in writing, on 12 May 2005:

(1) Was the contract for “information technology support” valued at $218,712 awarded to Wallis & Brandis Pty Ltd subject to a tender process; if so, what are the details of the tender process.

(2) Was the contract for “support and maintenance of the communication systems, equipment and infrastructure surrounding Pics, Delta and Tardis dedicated passport systems” valued at $2,530,980 awarded to Wallis & Brandis Pty Ltd subject to a tender process; if so, what are the details of the tender process.

(3) Was the contract for “the provision of specialist services for the development and support of the Tardis and Pics Passport Systems” valued at $1,572,480 awarded to Kayarm Pty Limited subject to a tender process; if so, what are the details of the tender process.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) No. This contract was negotiated in accordance with the conditions for “direct sourcing” outlined in the Commonwealth Procurement Guidelines.

(2) No. This contract was negotiated in accordance with the conditions for “direct sourcing” outlined in the Commonwealth Procurement Guidelines.
(3) No. This contract was negotiated in accordance with the conditions for “direct sourcing” outlined in the Commonwealth Procurement Guidelines.